U.S. COMMISSION ON CIVIL RIGHTS

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BRIEFING

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AN EXAMINATION OF THE EFFECT MINORITY ACCESS, PERSISTENCE, AND COMPLETION HAS ON THE SOCIO-ECONOMIC MOBILITY OF MINORITIES

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FRIDAY, MAY 29, 2015

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The Commission convened in Suite 1150 at 1331 Pennsylvania Avenue, Northwest, Washington, D.C. at 9:00 a.m., Martin R. Castro, Chairman, presiding.

PRESENT:

MARTIN R. CASTRO, Chairman
PATRICIA TIMMONS-GOODSON, Vice Chair
ROBERTA ACHTENBERG, Commissioner
GAIL HERIOT, Commissioner
PETER N. KIRSANOW, Commissioner
DAVID KLADNEY, Commissioner*
KAREN K. NARASAKI, Commissioner
MICHAEL YAKI, Commissioner

** Present via telephone*

TABLE OF CONTENTS

P-R-O-C-E-E-D-I-N-G-S

(9:00 a.m.)

CHAIRMAN CASTRO: Calling this briefing back into order.

OPENING REMARKS

CHAIRMAN CASTRO: This is Day 2 of the Civil Rights Commission briefing on the effect of college access, persistence, and completion rates on the socio-economic mobility of minorities.

I'm Marty Castro, Chair of the U.S. Commission on Civil Rights. Today is May 29th. We called this briefing to order at 9:00 a.m. Eastern Time.

Present with me today here in the headquarters of the Civil Rights Commission is our Vice Chair, Patricia Timmons-Goodson, and Commissioners Narasaki, Heriot, Kirsanow, Achtenberg, and Yaki. Commissioner David Kladney will be joining us by phone.

As I said, today's briefing continues yesterday's panels, which we held for a bulk of the day talking about these issues of persistence and completion, and the impact -- disparate impact that it may have on minorities' mobility.

Today's session is going to feature 17 distinguished speakers, all of whom are going to provide us with a diverse array of viewpoints on the

topic. We have divided the speakers into four panels today. The first panel will consist of federal government officials discussing pertinent programs. Panel II is going to consist of the university system heads, who are going to share their experience and perspectives. And the last two panels will give us viewpoints from various scholars.

Before we proceed with the housekeeping of how we are going to run these panels, and do time and do the speakers, we want to give Commissioner Achtenberg an opportunity to share a few words. It was her concept paper and her efforts that resulted in today's and yesterday's briefings.

So Commissioner Achtenberg?

COMMISSIONER ACHTENBERG: Thank you, Mr. Chairman. I appreciate the courtesy. The premise of today's exploration, and yesterday's as well, is as follows. Access to and attainment of the baccalaureate degree is the key to upward social mobility and economic mobility in today's national economy.

Attainment has significant measurable lifelong benefits for workers, for their families, their communities, the national economy, and our international competitiveness. It is a social,

political, and economic good, and yet there are racial disparities, gaps in enrollment, gaps in persistence, gaps in attainment of the baccalaureate degree, on the basis of race that need to be examined and are being examined by this Commission.

There are various federal funding streams that are provided to postsecondary institutions for the benefit of the education of low income people and particular racial minorities. And yet sometimes the operation of those programs end up having a different effect than perhaps was intended.

In particular, many of the campus-based aid programs at least seem to contribute to the racial disparities that they were designed to address positively, end up addressing them at least in some negative ways, or at least the evidence appears to be the case, and that is part of what we are exploring as United States Civil Rights Commission.

On the other hand, there are many successful programs that federal dollars also support that help address the gaps in achievement, including such programs as GEAR UP and TRIO and other campus-specific programs, which chancellors and presidents will be testifying to the efficacy of.

Perhaps additional investment in those

programs might be an important way to address some of the racial disparities that are obvious by virtue of examining the statistics.

As a nation, we are underperforming in terms of achieving the baccalaureate degree for the jobs that are currently available, that will be available for the workforce in the next 10 years and in the 10 years after that. So we are underperforming in the aggregate right now, and we are underperforming with regard to particular demographic groups, including certain racial minorities.

It is possible, at least it is my contention that it might be possible, through the redeployment of federal investment, even utilizing differently the resources that are currently being deployed, let alone seeking the deployment of additional resources, but even if we were not to do that but to encourage the Congress to consider redeploying existing resources, and deploying them more strategically for the benefit of low income students in particular, and the groups -- the racial groups that are lagging behind, it could indeed be the case that we could begin to address some of those persistent racial gaps.

I believe that that could be possible, and

it will be the job of the Commission to determine whether or not those theories hold water.

This is a pressing issue of our time, and I am delighted that my colleagues on this Commission have seen fit to allow the Commission to address this important issue. So I thank you for the courtesy, Mr. Chairman.

CHAIRMAN CASTRO: Thank you, Commissioner Achtenberg. And I also want to thank the Commissioner and her staff for the effort again, but also our Commission staff for putting together the briefing today and yesterday. It is not often what we do a two-day briefing, so it takes a lot of additional effort on the part of our staff to coordinate this, and so we are really appreciative of their efforts.

And as I mentioned yesterday, in preparing for these hearings, and even through the course of yesterday's testimony, what we are doing here really hits close to home I think for a lot of us on this panel, and actually many of those who testified yesterday, in terms of many of us being first-generation college students, many of us being the first in our family to even graduate from high school, such as myself.

And I'm the product of Head Start, I'm the product of affirmative action and higher education, so

these programs aren't just constitutional theory or political hay for me, these are the kind of programs that resulted in me sitting here before you as the first Latino Chairman of the U.S. Commission on Civil Rights.

And yet there are many points in my educational trajectory, as in the trajectory of some of the students that have been highlighted by the testimony, that I could have fallen between the cracks or been pushed between the cracks. Despite the fact that I was an honor student in high school, a private high school my parents worked very hard to pay tuition on, my high school guidance counselor, who was not a person of color, encouraged me not to apply to college, said that I shouldn't go, that I should go work in the steel mills where, you know, my father and my grandfather and uncle and all the other folks from our largely community of color worked.

And I insisted on going to college. She didn't help me fill out my applications; I did it myself. My parents didn't know, nor did I, what FAFSA was or FAF or any of that, but through leaps of faith I managed to get here. And I always wonder how many of my fellow high school students listened to that counselor.

And it's not just something endemic to the

neighborhood I grew up in, but I've shared this story with others here in Washington and elsewhere in groups of large Latino community leaders, and that is a common experience for many of us, and I know it is shared by other communities of color. In fact, one of our panelists yesterday, Dr. William Flores, who is on the Executive Board of HACU, same thing happened to him in his high school experience.

So these are real issues that affect real lives, and so I'm really glad that we are looking at these types of issues, because they impact the future of individuals and communities in this country. So we thank you for being here and for all the efforts everyone is putting in on behalf of this issue.

Our panelists today, as the panelists yesterday, are each going to have seven minutes to present to us based on their prior written submissions. And there is a system of warning lights here. Just like a traffic light, green, go; yellow, that means getting ready to stop, you will have two minutes when you see that; and red, of course, stop.

We will then, as Commissioners, ask you questions. There will be a chance to elaborate perhaps on things that you were in mid-sentence on. But also, our Commissioners will be -- I will try to fairly

provide them an opportunity to speak with you, because we really want to elicit as much information as possible.

We also want to let folks know that the record of this briefing will be open for the next 30 days. So any of you as panelists, and anyone who is watching today or listening, has the opportunity to present your own comments, so that we can review those and take those into account as we prepare our report to the President and Congress.

So you can submit those to us here at the U.S. Commission on Civil Rights by either mailing them to the Commission Office of Federal Civil Rights Evaluation, 1331 Pennsylvania Avenue. That's 1331 Pennsylvania Avenue, Northwest, Suite 1150, Washington, 20425, or via email at publiccomments@usscr.gov. That's P-U-B-L-I-C-C-O-M-M-E-N-T-S at usccr.gov.

With that out of the way, I'd like to introduce and then swear our panelists in. So the first panelist is Professor Stella Flores from Vanderbilt University. Our second panelist is Dr. Peggy Carr from the U.S. Department of Education, and our third panelist is Dr. James T. Minor, also with the U.S. Department of Education.

Will you each raise your right hand, please? And I'll ask that you swear or affirm that the information that you are about to provide to us is true and accurate to the best of your knowledge and belief. Is that correct?

SEVERAL: Yes.

CHAIRMAN CASTRO: Okay. Great. Thank you.

PANEL I

CHAIRMAN CASTRO: Professor Flores, please proceed.

PROFESSOR FLORES: Thank you, Commissioners, for the opportunity to speak on the civil rights implications of college access, persistence, and completion for underrepresented minority students in the United States.

I will draw on evidence-based examples from the most rigorous studies on these topics over the last two decades, including work that my colleagues and I have conducted in Texas where we utilized national, as well as kindergarten through 20 student-level administrative database. That's K through 20.

Strong data are critical to civil rights as well as the solutions we construct to improve educational equity in the U.S. for all students. I

argue that college completion is a function of more than the postsecondary experience, and that other factors such as secondary school context, financial aid opportunity, and academic preparation also play a role in predicting the odds of college success.

In our work, we find that nearly 61 percent of the racial gap in college completion can be explained by pre-college characteristics -- that is, before a student ever enters college – comprised of the individual, high school context, and academic preparation. Another 35 percent of the gap in racial college completion is explained by postsecondary characteristics.

Another 35 percent of the gap in racial college completion is explained by postsecondary characteristics. Every state of schooling that does not give all students all an equal opportunity to prepare for college has civil rights implications. Therefore, begin given equal opportunity to prepare for and succeed in postsecondary study is the education-civil rights battle of our time.

Moreover, as stated by the Commissioner, the consequences of not being appropriately prepared to succeed in college are costly, not only to individuals who are deprived of this opportunity, but

also to local and state economies, and ultimately the nation.

I am going to focus on five key areas related to college completion of underrepresented minority and low income students, and they include demographic changes in their school, continued segregation levels, academic preparation, and the factors that predict the college completion gap and end with the role -- with some discussion on the role of data in understanding where the odds of college completion are most challenged.

This is not on, actually.

CHAIRMAN CASTRO: Pardon me?

PROFESSOR FLORES: The timer is not on.

CHAIRMAN CASTRO: Oh, it's not?

PROFESSOR FLORES: But I will continue. Okay?

CHAIRMAN CASTRO: Okay. Go ahead.

PROFESSOR FLORES: More time.

So let me begin with point number one. We cannot neglect that we are in an era of unprecedented demographic change across the U.S. states, but also in our public schools. The majority of all U.S. births, and the majority of our K through 12 public school students, are now non-white. The cost of failing to

prepare this population to earn a postsecondary credential has become a matter of state and national economic welfare.

Five states now have majority-minority populations, and at least 14 states have majority-minority population among children under the age of five. Latinos are now the largest minority group in the nation's two- and four-year colleges. However, let me be clear on what this trend does and does not represent.

Demographic growth simply means that there are more Latino students, not that we as a nation have necessarily been more successful in enrolling the eligible high school graduate population of Latinos. The real question is whether programs and policies have been more effective or if demographic growth is merely masking the underperformance of our nation's schools.

Our work in Texas, for example, finds that Latino high school graduates are actually more likely to enter the workforce than they are to even begin at a community college. This is regardless of academic preparation.

Next point. Poverty remains a salient characteristic, particularly as associated with race among students at four-year colleges. In our cohort

analyses, we find that 48 percent of Hispanic students and 31 percent of black students are economically disadvantaged in four-year institutions as compared to five percent of white students at four-year institutions.

Racial segregation continues to have harmful effects on key student outcomes. Racial segregation in elementary public schools is a key factor in the racial achievement gap, as measured by differences in test scores. Our research further suggests that racial segregation in high school also has negative effects on college completion itself.

Students have different rates of participation in high school college preparation courses by race and ethnic background, which is associated with the odds of college completion. Let me be clear here. Academic preparation remains the most important factor in predicting the odds of college access as well as college completion. However, students of all racial groups do not receive the same preparation, particularly in math, the gateway course, or trigonometry, which is another gateway course in college completion.

Our work found that black students are substantially less likely than white and Latino

students to have taken a trigonometry course. That rate is 70 percent for white students, 61 percent for Hispanic students, and 47 percent for black students. Similar gaps remain for courses such as dual enrollment programs.

College costs, perceived or real, and financial aid continue to matter as gatekeepers to enrollment and completion, and they also may matter by race and income. More than 30 years of research indicates that financial aid, particularly in the form of grants and tuitions, discounts and scholarships, positively affects college enrollment.

Nonetheless, financial aid remains a contested issue across the states and individual institutions in the form of preferences to fund students that are less likely to exhibit need. That is, we have seen a trend in an increase in married aid and a decrease in a trend in need-based aid.

Location of college is important, especially for minority students. In terms of where black students are increasingly going to college, that is the community college. So whereas before we saw trends of black students surpassing Latino students attending four-year colleges, they are now more likely to attend two-year colleges.

For Latinos, no other institution represents their attendance in the Hispanic-serving institution, yet we have only minimal evaluation evidence on how well the HSIs are doing, yet that is the place where Latinos are more likely to go to college.

There is a substantial college completion gap between white and black students and between white and Latino students. The racial college completion gap, at least in Texas, between white and Hispanic students is 14 points, between white and black students is 21 points.

And what drives this gap differs by these groups. For the Hispanic-white group, the two key factors that drive this achievement gap is attending a high minority high school and economic disadvantage. For black students, while attending a high minority high school explains a large portion of the gap, the most critical factor with this group remains academic preparation.

Commissioners, improving the civil rights outcomes of all students requires a collection of a strong evidence through the form of reliable, individual level, longitudinal data sources, to produce the most successful and sustainable

interventions students deserve. Dismantling efforts for the collection of such data is likely to lead to under-researched and ineffective policy decisions with implications not only for disadvantaged students but also all students in the nation.

We cannot afford to formulate responsible education policy without strong data systems and research designs.

Finally, I will end that the demographic changes highlighted here also bring to light under-examined civil rights issues in education as they relate to immigrant and English language learners. Understanding the educational civil rights implications for these students are particularly critical for large districts in the southwest, and increasingly the southeast, where schools have seen an influx of immigrant and ELL students with no comparable increase in resources or teachers prepared to teach these populations.

Thank you for the opportunity to offer this testimony. I am happy to answer questions.

CHAIRMAN CASTRO: Thank you, Professor.

Mr. Minor? Oh, do you want to go next, Ms. Carr?

DR. CARR: Good morning.

CHAIRMAN CASTRO: Good morning.

DR. CARR: I would like to begin with a brief description of what we do at the National Center for Education Statistics, or NCES. I say this because I think it has implications for your work here on the Commission and for the work of all who is concerned with civil rights issues.

The first federal department of education was established in 1867, and I quote "for the purpose of collecting such statistics and facts as shall show the condition of education in several states and territories." Congress has legislated several mandates for NCES. One that might be of particular interest to you, you are to conduct objective statistical activities to collect data that are impartial, clear, and complete.

In addition, Congress has required us to play a critical role in partnering with other agencies and departments in the federal government to strengthen and to improve data quality and access. Of particular note is our role in gathering the data from My Brother's Keeper.

Also, more recently, we are now administering the data collection for the Office for Civil Rights within the Department of Education.

Many of the demographics that you see here are interrelated -- poverty, educational attainment, and other factors are linked to system inadequacy, as you well know. It is important to note that unless I otherwise state, however, that the outcomes and measures that I am going to talk about briefly today do not account or control for interrelated factors.

Data from a number of NCES reports, surveys, and assessment support the conceptual model that is shown here. In this presentation, I will explore key checkpoints along the pathway of postsecondary attainment. They include, of course, access, enrollment persistence, and completion.

So let's start with achievement gaps as one of the first access indicators here. Achievement gaps for minorities and low SES students start early and they persist.

Let's begin with a look at some of the key trends in the academic achievement gaps. Here we are looking at an achievement gap between white and black students. Historically, black, Hispanic, and American Indian/Alaska Native students have lower assessment scores in reading and in mathematics than their white and Asian peers. There are two pieces of good news included in the data that you see here. These

data depict performance over time for black and white students, eighth grade students, and what you see here is that the performance is improving for both groups, and the distance between the performance of the two groups, also known as the gap, is narrowing. That is good news.

While this chart displays the black-white gap, this is also true for whites and Hispanics, less true but also true of Native Americans and whites, and there has been a truly significant increase for Asian students.

I'm going to skip this next graph in the interest of time.

Now we are looking at the curriculum levels related to mathematics achievement within the racial-ethnic groups. Within each group, graduate students completing a rigorous curriculum earned higher NAEP scores -- that's the National Assessment of Educational Progress -- than graduates completing lower curricula.

So a rigorous curriculum includes four years of English, three years of foreign language, three years of social studies, four years of mathematics, and three years of science, including biology, chemistry, and physics. However, their

completion of a rigorous curriculum did not eliminate racial-ethnic gaps in NAEP performance, as you can see here.

The average scores for black and Hispanic students completing a rigorous curriculum were lower than the average scores for white and Asian students. And this is not of course due to race or many other confounding factors, such as the disproportionate representation of SES or socio-economic status among the minority students, and the rigor, the true rigor, of the courses that they are taking, not just the title of the courses.

This slide depicts gaps in advanced science course-taking by the level of density within a school. The term "advanced science courses" refers to courses beyond introductory biology, chemistry, and physics, as well as AP and IB science courses.

"Density" refers to the percentage of minority students within a school. The gaps you see here are larger for schools with higher density.

As you can see here, there are differences by race-ethnicity and by parents' education and the percent of 12th grade students who were at or above proficient in mathematics and reading. "Proficient" refers to solid mastery over challenging subject matter

on average for 12th graders in mathematics -- 26 percent of the students in this country are at or above proficient – it's seven percent for blacks and 12 percent for Hispanics.

Here you can see that the rates are different for students that are being placed in juvenile or residential facilities. This is particularly true of males and particularly true of minority males.

In general, disparities exist in enrollment and persistence, and persistence patterns are particularly complex. In this next slide here you see that trends and college enrollment have increased for all races and ethnicities, and this is particularly true of the Hispanic students.

Persistence is important. As you can see here, there are a number of factors that relate to persistence. For example, whether the student has taken credits of courses and not gone back, and they are not going to get credit for them, incurring additional costs, and so forth.

And, finally, attainment patterns resemble some of the patterns already discussed. We will show this last slide here. Go to the next one here.

Overall, lower percentage of minority and low SES students obtain a bachelor's or higher. However, even among higher SES students there are differences in attainment among various racial-ethnic groups.

So, in sum, progress has been made across the metrics that I have discussed here today. But clearly there are many challenges here.

We need to improve our measures. For example, the eligibility of free and reduced price lunch has long been used as a proxy for family income, but there have been new provisions in the allocations of eligibility, and that has put a bit of a wrinkle in the use of free and reduced price lunch as a proxy for student SES status. Digital data collection is also a challenge and an opportunity.

So I will stop there. And if there are additional questions, I'd be happy to answer them.

CHAIRMAN CASTRO: Very interesting stats. We'll definitely be delving into that.

Mr. Minor?

DR. MINOR: Good morning, Mr. Chairman, and members of the Commission. I want to thank you for the invitation to speak this morning. I am here -- I am happy to be here on behalf of the U.S. Department

of Education's Office of Postsecondary Education, which administers higher education programs designed to promote innovation and improvement in postsecondary education, expand access and opportunity to students from low income families, and increase college completion, which, as you know, has significant consequences for our nation.

Under the authorization of the Higher Education Act of 1965, as amended, the Office of Postsecondary Education awards more than 4,000 new and continuation awards each year, totaling over $2 billion annually.

Presently, the Higher Education Program Office has approximately $7-1/2 billion obligated in grants intended primarily to improve college access and to strengthen the capacity of institutions to serve students more effectively. No other institution or agency in the private or nonprofit sector comes close to making that kind of investment in college access or institutional capacity-building annually.

The Office of Postsecondary Education administers numerous competitive and formula-based grant programs designed to support minority serving institutions, including Historically Black Colleges and Universities, Hispanic-serving institutions,

tribal colleges and universities, Native American-serving non-tribal institutions, Alaska Native and Native Hawaiian-serving institutions, Asian American, and Native American and Pacific Islander-serving institutions, as well as historically black graduate institutions.

These programs support improvements in educational quality, management, fiscal stability, and are intended to strengthen institutions that serve large numbers of minority students, while maintaining low per student expenditures. These programs represent a mix of competitive and formula-based grants and are funded by Congress through an annual appropriations bill.

In 2015, more than $775 million was appropriated for institutional development programs. Minority-serving institutions that these programs support have traditionally been underfunded, and they rely on these programs for activities such as faculty development, student services, construction or renovation of campus facilities, purchase of educational materials, and even endowment building.

As of 2012, minority-serving institutions enrolled 3.6 million undergraduates each year, 20 percent of all undergraduates. Hispanic-serving

institutions enroll 50 percent of Latino students, despite only being four percent of all colleges. More than 50 percent of students at minority-serving institutions receive Pell grants. That is compared to 31 percent of all students. And nearly half of all students at minority-serving institutions are first-generation college students versus 35 percent of those at majority institutions.

As you know, and as you've heard this morning, community colleges have a particularly important role to play in providing educational and degree opportunities for minority students. Approximately half of all Hispanic students enrolled in postsecondary education attend two-year institutions, as do a third of African American students.

Affordability and open enrollment policies are often cited as key reasons why community colleges are likely to be more appealing to students from low income backgrounds or those who may be less prepared academically for higher education.

The Office of Postsecondary Education also administers federal TRIO programs, which serve low income first-generation students at various points in the educational pipeline from middle school all the way

through graduate school.

You may be familiar with some of these programs, such as Talent Search, Upward Bound, student support services, educational opportunity centers. While these programs do not explicitly target minority students, many participants in the TRIO programs are from underrepresented groups.

Based on data from 2012 and 2013, the percentage of TRIO participants who were African American ranged anywhere from 29 percent in student support services programs to 38 percent in Upward Bound programs. For that same reporting year, the percentage of TRIO participants who were Hispanic ranged from 12 percent in veterans Upward Bounds to 30 percent in the Ronald McNair Post-Baccalaureate Achievement Program.

In addition, to serving minority students, many TRIO programs are hosted at minority-serving institutions, including Historically Black Colleges and Universities, predominantly black institutions, Hispanic-serving institutions, and Hispanic agencies, tribal colleges and tribal college -- or in tribal agencies.

Congress has appropriated close to $850 million for TRIO programs in 2015. Also, in the Office

of Postsecondary Education's portfolio is Gaining Early Awareness and Readiness for Undergraduate Programs, also known as GEAR UP, which provides funding to states and partnerships to serve cohorts of students at high poverty middle schools and high schools. GEAR UP projects provide services such as tutoring, ensuring the development and implementation of rigorous curricula, fostering family involvement, and raising awareness of college admission and financial aid processes for students.

Like TRIO, GEAR UP is not specifically targeted to minority students but serves many of them as a result of its focus on low income students. In 2015, Congress appropriated nearly $302 million for GEAR UP.

The Department believes that these programs are critical for improving and increasing the number of Americans who not only enter college but also complete. As recent as 1990, as you may have heard, America was number one in the world in terms of the proportion of citizens who had a college degree or some postsecondary credential.

According to some estimates, we are now eleventh. The President has been clear about the goal to once again lead the world in having the highest

proportion of citizens with a postsecondary degree or credential.

In order to achieve this goal, we must dramatically increase degree attainment from 40 percent to 60 percent, which means we need to produce 10 million additional degrees over and beyond the expected projections. This will require three and a half million more high school graduates and 6.3 million adult learners to become college graduates.

If the nation will make significant progress, two things are clear. First, we must create new and innovative teaching and learning opportunities that provide diverse pathways for earning a postsecondary credential. Second, we must pay particular attention to the groups of students who struggle most to earn a college degree. Increasing college completion rates will bear particular relevance for minority students.

I want to conclude by mentioning that the Department's programs are paying very close attention to the types of interventions that potential grantees are proposing to use and whether those interventions are actually successful.

An increased emphasis on evidence-based grant-making has resulted in more rigorous standards

for applicants seeking to obtain federal funds as well as higher expectations for the evaluations that will be produced once the program has been implemented. We believe that these requirements will enhance the project's success and provide important information that can be used.

In closing, I want to thank you for allowing me to speak today and scheduling this briefing on a critically important topic.

Thank you.

CHAIRMAN CASTRO: Thank you, Dr. Minor.

Would you like to open the questioning, Commissioner Achtenberg?

COMMISSIONER ACHTENBERG: Thank you, Mr. Chairman.

This is for Professor Flores and Dr. Minor. Professor Flores, you said that pre-college characteristics, levels of poverty, segregation, course selection, cost of education, location of the college campus, all of these factors weigh extremely heavily on whether or not we can predict access, success, and completion. Did I understand that -- is that a fair --

PROFESSOR FLORES: Yes.

COMMISSIONER ACHTENBERG: And yet we also

see large -- we also see success happening through campus-based programs, and as a result of federal investment in such programs as delineated by Dr. Minor, namely TRIO and GEAR UP just to name two. I mean, there are many others. How do you explain those two variables?

PROFESSOR FLORES: Sure. Yes, that's a very good question. I'm glad you asked that. It basically depends on where you start measuring. And so the work in terms of where we begin our analyses is in high school. And so when we talk about campus-based programs, we are talking about already students enrolled in college. It is already the students that made it, that already show some form of success.

And so to try to remove selection bias, we track the students back into high school and earlier, if possible.

COMMISSIONER ACHTENBERG: I see.

PROFESSOR FLORES: And so I think that's where you see the disconnects in those findings. That's not to say that campus-based programs can't be successful, but we are talking about students who have already successfully enrolled in college, and my research covers the students that don't make it.

COMMISSIONER ACHTENBERG: I see. Okay.

That's an important clarification.

PROFESSOR FLORES: Yes, ma'am.

COMMISSIONER ACHTENBERG: It has enhanced my understanding of what the statistics tell us.

Dr. Minor, you mentioned the critical nature of these programs that your office administers. Could you talk a little bit about the measurement that suggests to you that these programs are, you know, operating as intended? And you also mentioned that they were underfunded. What does that mean?

DR. MINOR: Well, as the office that administers the majority of grant programs that are provided to higher education institutions, I have not met a constituent yet who wouldn't claim to need more money.

COMMISSIONER ACHTENBERG: Doesn't believe that, right.

DR. MINOR: Exactly. So, but we know some of that is measured against need. What program directors and institutional leaders often report to us are not only the numbers of students that they are serving, but the number of students that they are not able to serve because of resources.

So we know that there is a tremendous need across the country. And even given the size and scope

of the investment that the Department of Education is making, there are hundreds of thousands of students who are not being served due to a shortage of resources.

COMMISSIONER ACHTENBERG: You mentioned that -- you mentioned $302 million for --

DR. MINOR: For GEAR UP.

COMMISSIONER ACHTENBERG: For GEAR UP?

DR. MINOR: Yes.

COMMISSIONER ACHTENBERG: That's an awfully modest amount, one would think, as compared to the numbers of students who might benefit from such a program. Is that your testimony?

DR. MINOR: Yes. I think that's an argument that could be made. I think between TRIO and GEAR UP alone we are serving approximately 1.3 million students across the country. And, again, if you balance that against the number of students who need to be served, certainly an argument could be made for a greater investment in those programs.

COMMISSIONER ACHTENBERG: And these are not just students in general. These are students who are already -- in the case of the TRIO programs have already been admitted to university. Isn't that correct?

DR. MINOR: Some of them. So the range of

programs between GEAR UP and TRIO start to serve students as early as middle school --

COMMISSIONER ACHTENBERG: Right.

DR. MINOR: -- and they serve students through their time at college and universities, and even in graduate and post-baccalaureate programs.

COMMISSIONER ACHTENBERG: But these are students who have already indicated through performance that they have some academic merit that would suggest that they are potentially at least college material, no?

DR. MINOR: Well, the eligibility requirement for participation in these programs is not based on academic merit. It is based on household income primarily. And so, no, it is not true. What are the programs are intended to do is to increase the number or percentage of low income students, students who would be the first in their family to attend college, to actually encourage them and to provide resources to them that would increase the likelihood that they would actually transition from K-12 to postsecondary institutions.

COMMISSIONER ACHTENBERG: Could I ask one more question, Mr. Chairman?

CHAIRMAN CASTRO: Sure.

COMMISSIONER ACHTENBERG: Does your office also administer or have information regarding the SEOG, S-E-O-G?

DR. MINOR: Yes. Yes, we do. But I will be careful to tie that program to the performance of the ones that we discussed here this morning.

COMMISSIONER ACHTENBERG: Why is that? Because it's a congressionally mandated formula that -- or some kind of formula?

DR. MINOR: In part. But the performance of the programs are primarily determined by annual reports that are submitted by the program directors. And so it is true, but they are very distinct funds and they are very distinct programs.

COMMISSIONER ACHTENBERG: Understood. But we heard testimony yesterday from a number of experts that the -- and we will hear today later a kind of comparison, and I'm wondering what you think about this. It was stated that this SEOG grant is designed to address the low income populations in the colleges and the universities. Right? I mean, that's what it is appropriated for. Is that correct?

DR. MINOR: That's correct.

COMMISSIONER ACHTENBERG: And we heard a statistic yesterday that $10 million of SEOG grants are

appropriated to all of the Ivy League universities collectively, and that collectively those Ivy League universities enroll 60,000 students. And I'm not clear the number of Pell-eligible students within that, but 60,000 students.

I was told as well, however, that the California State University System, which enrolls 400,000 students, receives $11 million -- as compared to $10 million for 60,000, $11 million for 400,000 -- in a situation where almost half of those 400,000 students are Pell-eligible, meaning that they are some level of low income student.

And I am wondering --

DR. MINOR: Let me just --

COMMISSIONER ACHTENBERG: -- how could that be?

DR. MINOR: Let me just make one distinction that I think will be helpful.

COMMISSIONER ACHTENBERG: Sure.

DR. MINOR: There are two primary domains of grants that the Department makes. One is a formula-based grant, which means that the institution meets the formula as a Hispanic-serving institution, as a historically black college or university. They are eligible to receive that grant or award.

The other category is discretionary or competitive.

COMMISSIONER ACHTENBERG: Sure.

DR. MINOR: Meaning that applicants submit a proposal that is scored, primarily by peer reviewers. So the Department doesn't arbitrarily decide who the winner or loser in those competitions are.

COMMISSIONER ACHTENBERG: Sure.

DR. MINOR: And so what we have is a review process that scores and rates the applications, and there is no way for the Department to arbitrarily dictate --

COMMISSIONER ACHTENBERG: Sure.

DR. MINOR: -- sort of what the composition of award winners will be for those competitions.

COMMISSIONER ACHTENBERG: So TRIO and GEAR UP are --

DR. MINOR: TRIO and GEAR UP are both competitive.

COMMISSIONER ACHTENBERG: Right. And the SEOG is pursuant to formula. And who sets the formula?

DR. MINOR: Well, the formula is

established in statute and regulation. So it neither is something that the Department is to arbitrarily change without --

COMMISSIONER ACHTENBERG: I understand.

DR. MINOR: -- negotiated rulemaking or an act of Congress that changes the statute.

COMMISSIONER ACHTENBERG: So, but the rulemaking is done pursuant to a regulatory regime adopted by the Congress. Is that correct?

DR. MINOR: That's correct.

COMMISSIONER ACHTENBERG: All right.

DR. MINOR: That's correct.

COMMISSIONER ACHTENBERG: Thanks very much.

CHAIRMAN CASTRO: Professor Flores, in your remarks, you mentioned that the number of Latino students who are matriculating to college is going up, and that is due primarily just to demographics, that our population is growing so fast and so quickly that by its very nature you are going to see more Latinos in the pipeline, but that it's not necessarily attributable to any specific programs that are preparing Latinos or getting them in the pipeline.

It is just, you know, the population is bubbling up, so it's going to reflect itself in those

statistics for matriculation. Is that right?

PROFESSOR FLORES: Yes. So my main point here is to not reach toward the conclusion of success without understanding that it may just be demography and not actually successful programming and policies. And I think while those statistics are very important, because demography is very important, it is also Public Policy 101. Don't make conclusions, you know, based on demography and not the actual assessment of something being successful.

CHAIRMAN CASTRO: Okay. One of our speakers yesterday was making the point that while more Hispanics are going to college now than whites, and so what is the problem, but that --

PROFESSOR FLORES: And it's a common misconception, so --

CHAIRMAN CASTRO: Well, he did say he was not an official demographer.

Dr. Carr, in your statistics, you show how among the various minority groups the Asian population continues to do better in most of those, if not all of those areas of measurement. Commissioner Narasaki yesterday very eloquently distinguished between various subgroups of Asians, and we had testimony as well from the South Asian community, which is

substantially underserved and underrepresented.

But as Commissioner Narasaki said yesterday, there are other communities such as the Indian community and the Chinese community who come here -- who have come here with higher educational credentials, and so their children have been able to proceed in a more successful route for the most part.

Does your data take account of the subgroups of Asian Americans and even Latinos for that matter?

DR. CARR: Well, the data that I've presented today does not differentiate between Asians, the traditional reference to Chinese, Japanese versus Pacific Islanders, but in recent years we have started to bifurcate the data that way.

And I should say pointedly that the gaps between those groups is just as wide as the gaps between whites and black students or whites and Asian -- between whites and Native Americans.

So we have only just begun to differentiate the types of the origins of the Asian Americans, but it is important and the Department has been put on notice that this is something that the community wants to see as we begin to release data in years to come.

We do not have data as differentiated for

Hispanic Americans. However, it is more difficult to assess that data. Many of these data we are getting from the schools and school districts, and they don't all collect it the same way. But certainly the Asian Pacific data is one that we are working very hard to have data in the future to differentiate the results.

CHAIRMAN CASTRO: So the school districts are differentiating between and among Asian subgroups but not Hispanic?

DR. CARR: Yes.

CHAIRMAN CASTRO: Why is that?

DR. CARR: No, they do, but they don't all report to us that way.

CHAIRMAN CASTRO: Okay.

DR. CARR: They don't all report the origin, and we don't collect the data as -- in such a refined way for Hispanics.

CHAIRMAN CASTRO: But now you are planning to begin to collect that data.

DR. CARR: Yes.

CHAIRMAN CASTRO: Is there some way that -- you know, yesterday we were talking about leveraging federal dollars for state investment in education. Is there some way that, since I'm sure all of these school districts are receiving some form of federal aid, that

you can request, if not mandate, that they provide you with that data broken down by subgroup?

DR. CARR: Well, I don't want to say that they are refusing to give that to us. It's a matter of putting the procedures for data collection in place such that when one state gives us an indication and a definition for origin of the student it is the same as another state.

So I think it is a matter of getting our definitions and procedures in place. I don't think it's a funding issue.

CHAIRMAN CASTRO: And so whose responsibility is that?

DR. CARR: It's a collective responsibility of working partnerships with the states and with the surveys and mandated surveys, in addition to the ones that are not mandated by the U.S. Department of Education.

CHAIRMAN CASTRO: So is that planning -- is there a plan to do that, or is it just sort of it would be nice to do that?

DR. CARR: No. We are cognizant of the need to differentiate amongst the origins of the students. And we have started, as I indicated, most notably with the Asian Americans. So --

CHAIRMAN CASTRO: Okay. So you plan to do --

DR. CARR: We are on that pathway, yes.

CHAIRMAN CASTRO: Okay. Thank you.

Commissioner Yaki?

COMMISSIONER YAKI: Thank you very much, Mr. Chair.

I have been thinking about this over the past couple of days, and we have been talking a lot about there is an achievement gap that may impact access to higher education. There is a financial gap that impedes that as well, and then there is the completion gap in terms of being -- once you're in there being able to finish it, and how all of that goes toward debt burden, incoming earning, and, in the case of some, you know, the ability to escape a life of, you know, the low SES factors, or what have you.

One of the questions I wanted to ask for all of you, if you have it, is it appears to me that in looking at the issues of access to begin with, that community colleges play a very important role in providing a couple of things. One, if we can achieve, as some states are doing and as President Obama has wanted, to have free community college, we are sort of closing the financial access gap there.

But, secondly, within the community college system itself, you can provide the kinds of instruction that can get someone up to the speed where they can then transfer to the four-year institution for completion. Do we have any data on community colleges and their role and their success rate in terms of minority students, getting them in and being able to matriculate them into a four-year institution, and whether or not that has any impact on their ability to complete the baccalaureate degree? I mean, do we have any data on that?

PROFESSOR FLORES: So there is data, both at the national and state level. I would argue that some of the state administrative databases have the best data to really track the pathway in clear detail. A number of studies across different states -- Ohio, Texas, and a few others -- actually found that starting at a community college reduces the rate of BA completion.

So knowing that, how do we work around it or with it? There has been an explosion of research on community colleges. Teachers College out of Columbia has done a great deal of work as well. I think in terms of minorities, because that is -- and low income students, that is the first place of entry,

regardless of academic preparation.

So it is an opportunity and also a challenge. If the institution is not operating or performing as it should, it has -- it could have the effect of basically working against the preparation that students come with.

At the same time, students who are very -- don't have proper preparation, this is a good place to begin to at least earn some form of credential. But there is a lot of work out there. I would be happy to refer you to more.

I would say that the state databases have that level of detail, and also you can get more information on the partnerships, because articulation agreements -- Florida has great articulation agreements. Other states are working toward that.

But I think that one of the trends we see in Texas is where students can graduate with an associate's degree in high school. And that has been a really interesting development in how we think about postsecondary education. You don't have to finish high school before you begin, and so that's, again, another area where states -- some states have better data than others, to really look at the community college as the boundaries are now blended between high

school and community colleges.

COMMISSIONER YAKI: Dr. Minor?

DR. MINOR: Thank you. I do think we have very good data. I just think we are not very enthusiastic about what it tells us about how first-generation low income students are performing in community colleges.

Although they are very accessible to students and relatively affordable, if not free in some states, or virtually free, we still have very serious challenges getting those students to complete either the associate's degree or to earn enough credits to transfer into a four-year college or university.

Twenty-five years ago maybe community colleges were talked about as having a cooling out function. And I do think we've got enough data to suggest that in some cases it does lower the likelihood that students earn a bachelor's degree. But there are two things -- or a few factors that I think play into why we are experiencing these kind of outcomes for students.

In any state system, community colleges tend to be under-resourced institutions. The majority of the faculty tend to be adjunct or contract faculty. And there is not a residential component, which means

students who are pursing the associate's or taking classes at a community college are also living their life, unlike a lot of students who are attending four-year institutions, which in some cases impedes their ability to persist.

And then I do think in some states that have very good articulation agreements we still have the issue of students accumulating enough credits over a period of one to, you know, six or eight semesters that would allow them to transfer. So, you know, California is a good example. It is also a challenging example that for a long time has had the most universal access, the strongest articulation agreements.

But 75 percent of Latino students and 75 percent of African American students who begin don't transfer or don't earn the associate's degree after six years. And that is just very problematic.

COMMISSIONER YAKI: Well, you know, it's interesting to me because, you know, the search for these kinds of answers -- I think that Commissioner Achtenberg was sort of talking about the fact that you have all these different things in play. I mean, education is a holistic endeavor. You're starting from -- you know, you're trying to make up for deficiencies that may have happened at K through 12,

and how do you do that? Do you do it -- do you do that at the community college level? Do you do it through supplemental services at the college level?

I mean, part of what you are telling me is that maybe community colleges aren't the sort of secondary lifeboat that they could be or should be, or maybe they should be but they're not resourced correctly, they're not staffed correctly, they're not programmed in the right way. They become this sort of generic catch-all for a lot of different things that may or may not really lead to that baccalaureate degree.

So I wish that -- part of me wishes that we had done almost a second and a half day to get some of the community college folks in here to talk about this, because there seems to be, you know, a lot of people throwing that out there. Well, if they can't get into Cal, they can't get into Michigan State, they can't get into wherever, they go to community college and they transfer. Well, if that reality isn't really there, we need to know about that.

There is one thing that I want to pursue that Commissioner Achtenberg I think was trying to nudge you on, and I appreciate the fact that you may not be able to talk about it, but when you look at programs like TRIO, or you look at SEOG, which are

creatures of congressional creation, our job here is to be the watchdog. Our job here is to, you know, bark as loudly as we can on an issue where we think that maybe something needs to be changed.

When you look at a change -- when you look at completion rates within colleges, and across the board, does it say to you, to any of you, that maybe TRIO or especially supplemental services, student services, others, shouldn't be a grant, which would be almost formula-based on how many low income minority students you have in your institution?

And it shouldn't be a question of whether or not you have a good grant writer and the ability -- and someone who has the time may do that, but simply to say when the Cal States system has so many Latinos in their system, or African Americans or whoever, that we need the ability to say, "This should not be a discretionary program. This should be a mandatory program."

Because we have a national challenge with a national goal to ensure that once you are there you make it out, because we heard testimony yesterday what happens about people who don't make it out, the debt burden that it causes to them, how it creates the legacy of debt for the next generation, that impedes their

ability to move on, you know, there are things that we can do.

And so are these things where we should be rethinking the issue of grant and thinking more along the lines of Pell or something as an entitlement to institutions almost -- it is almost a reward for their ability to enroll minority and disadvantaged students. But it is also just a practical reality that we are going to help make more productive people if we give them the resources to stay and succeed.

DR. MINOR: Yes. Let me just answer quickly and carefully, if I may.

COMMISSIONER YAKI: I understand.

DR. MINOR: It's an interesting question, but I think we have to consider it carefully. There are provisions in the regulations that spell out who should be served by many of these programs, and I am very clear about those regulations, and they are clear that they are designed to serve first-generation and low income students. There's no doubt about that.

I think the question that you are pursuing is where those grants ought to live, and what kinds of institutions should --

COMMISSIONER YAKI: Actually, it's not even that. I would -- part of what I was looking at

-- and yesterday I asked this as well -- is do we need -- I mean, it's great and it's certainly -- its creation, we understood that first-generation individuals are people who deserve extra attention.

But the fact of the matter is is that over the past 25, 30, 40 years, you know, since the advent of the Civil Rights Act, things have changed. We have created a legacy of poverty and injustice in certain communities in this country where essentially for all testing and practical purposes they are first generation. They are a generation that never got the chance to get the promises of -- that government and others had made in the war on poverty and others.

So do we need to change that and say TRIO should not be just -- should not be a grant award restricted to this category, but we should look at disadvantaged students generally in a TRIO-type program for all those students.

DR. MINOR: Again, I think it's a theoretical question. It's a philosophical question. I think in the actual application of --

COMMISSIONER YAKI: It's a philosophical question. It's a fiscal question.

DR. MINOR: All of those things combined, and I think one of the opportunities will -- Congress

will take up the reauthorization of the Higher Education Act, and it is one of the questions that I think is worth pursuing, and I think the -- you know, the bigger question there is, how effective are the programs that we are currently invested in? Could we leverage the funds differently or focus them differently in a way that would be more effective and ultimately sort of improving the social mobility of the students that we think the programs were intended to help?

I think that's one of several questions that we could take up. But we should do it carefully because there are no clear answers. And the final thing that I would say about that is that any provisions that spell out how federal grant awards would be made has to be careful not to offend the constitution and any applicable laws, which would make it very difficult in some cases to focus on specific populations as recipients of federal funds.

COMMISSIONER YAKI: Thank you, Mr. Chair.

CHAIRMAN CASTRO: Thank you.

Vice Chair, you're next, followed by Commissioners -- I'm sorry. Okay. Go ahead.

PROFESSOR FLORES: Well, I'm not necessarily going to tell the federal government where

they should redistribute their money, but I will say that you brought up the point of successful grant writers. I think we do have a problem of capacity at some institutions, and capital -- social capital in terms of being able to leverage the best grants, the best designs, and so forth, and so I think maybe investing in institutional capacity to have stronger grant opportunities and more successful grant opportunities would be one way to think about where to spend additional funds.

And I do think even if we weren't going to redistribute or -- between programming, I do think we -- we still need some form of accountability that the money is being spent right.

And I think to Dr. Minor's point about not offending the constitution, there is a way I think to be able to increase capacity of institutions with the lowest income students and still call for accountability.

CHAIRMAN CASTRO: Thank you.

Madam Vice Chair, you'll be followed by Commissioners Narasaki and Heriot.

VICE CHAIR TIMMONS-GOODSON: Thank you very much, Mr. Chair.

And this question would be to all of our

panelists. As educators and others have looked out and reviewed pathways to higher education for our poor, our first-generation college, our underrepresented minority students, one of the fairly novel concepts that has been developed is that of the early college.

And as I understand that program, it combines high school and college, that by the time a student completes their high school requirements they have also completed two years of college. I was wondering if there is any data out there and whether this is a trend that you see merit in, or what do our statistics and our information tell us?

DR. MINOR: Well, what I would say is that these are fairly new programs, not in all cases, but we hadn't seen them as systematic programs. One of the challenges is is that public education in our country belongs to the states. And a few places that I have lived I have had the pleasure of learning that there were more the school districts than counties, which all have different calendars, different graduation requirements, different rules and regulations about how to account for courses.

And I think it is challenging. I think theoretically and conceptually it is a wonderful idea in two ways. One is that students actually accumulate

college credits, which makes college more affordable. But I think what is more important about that is that they actually understand themselves as clearly transitioning from high school to some postsecondary institution.

So it is a way, maybe not formally but an even, you know, I think culturally and socially to give students in the mindset of, that they are expected to transition from high school to some postsecondary institution. So I think it's early.

You know, it's interesting, I was in the state of Florida just a few weeks ago, and their legislature has mandated that they've got four LAF schools that are attached to the universities. And one of them is FAU, Florida Atlantic University, which not only does early college -- I actually had an opportunity to meet a 17-year-old, a 19-year-old, who both were on their way to graduate school, that they had accumulated so many credits, not only high school, but on a college campus during that period of time.

So we've got models, but I don't think we've got systematic data at this point to suggest which models of early college work best.

VICE CHAIR TIMMONS-GOODSON: Is that something that the Department of Education can -- I

understand how education is generally a state-run program. But is there something that the Department of Education could possibly do to encourage folks to go and to get additional information? Because, you're right, the kids are actually on a college campus more often than not, and they begin to see themselves there.

DR. MINOR: Absolutely. It is one of things that we expect to incentivize in some of our programs where it's appropriate. So we are very excited about the potential of early college.

DR. CARR: At the National Center for Education Statistics we collect transcript data from high schools, and we are also beginning to collect data from middle schools as well, because some of these kids are actually involved in these programs.

It is a new trend. It takes a while to sort of get this in the mode of data collection. But we are on it -- we understand that there are even different models or types of these programs. But it takes time to collect these data and get them into the pipeline.

I should say, though, that one of the things that is going to facilitate this type of data collection, the digital approach to transcript data collection, currently what is done for most schools and school districts is that we have to do it by hand, which

is very labor intensive. The coding of these data is also not very standardized, and so there are some issues to work out. But it will be available in the coming years.

PROFESSOR FLORES: I would add that I think the Institute of Education Sciences has started to fund a couple of researchers looking at the effect of, say, dual enrollment, not to necessarily college -- early college, high schools.

But one of the things to note on these programs is, what are we measuring? Are we measuring the students who would have gone to college anyway? And it's getting through that issue of selection bias and finding the benefit to students who may not have gone to college. And I think that's one of the key things to disentangle out of this.

But -- and forgive me for repeating this again, but there are ways to begin to measure this, and I think some of the state databases, like the one in Texas, would be able to give you some of the answers that you are looking at, because we are seeing students from the Rio Grande Valley, from South Texas, from some of the poorest counties in the nation graduating with associate's degrees leaving high school.

We have yet to -- we don't know what that

means for long-term trajectory, but we do have evidence that completing the associate's degree does lead to -- increases the odds of completing a bachelor's degree.

VICE CHAIR TIMMONS-GOODSON: Thank you.

Mr. Chair, do I have time for one --

CHAIRMAN CASTRO: Sure.

VICE CHAIR TIMMONS-GOODSON: -- other question?

As a former state trial and appellate judge, I saw early on that indeed there was a correlation between education and incarceration. In fact, it was often repeated that the number of students not reading at grade level by the third grade was one of the assessments that was used to project the number of prisons that were to be constructed, and the number of prison beds that we would need as states and a nation.

And you comment on that, is there any truth, Dr. Carr, to such a statistic being kept? And if you know whether in fact it's used as a projection for the number of prisons and prison beds that we will need.

DR. CARR: Well, I can say that we certainly don't keep it, and -- but I don't doubt that it doesn't exist or if people aren't using it to make such projections. But I can't say that the gaps

between minority students and white students are large and they are persistent and they start early.

And this is something that we really do need to be concerned about. The reading of students or their inability to read as early as third grade is a predictor of a lot of factors that are detrimental to the future, or project students and their academic pursuits.

I think, though, we cannot lose sight that there has been significant progress. It is not all doomsday. It looks bad, I realize, but the data suggest that all students, regardless of race-ethnicity, are improving, although the gaps are still there.

And the only reason the gaps are narrowing is -- even as small as they are, is because the bottom of the distribution is coming up quicker. And that being said, minority students, black students, Hispanic students, are making significant improvements.

VICE CHAIR TIMMONS-GOODSON: Dr. Minor, Dr. Flores, any comment?

DR. MINOR: I would concur with Peggy. I don't doubt that the statistic exists. It is not something that the Department of Education maintains.

PROFESSOR FLORES: And I would just add there is evidence out of economics that shows increased educational attainment, and especially completion of the high school degree, reduces crime.

CHAIRMAN CASTRO: Thank you.

Commissioner Narasaki, followed by Commissioner Heriot.

COMMISSIONER NARASAKI: Thank you. Dr. Minor, you made a comment that there were clearly many more students who are eligible to be served who probably aren't being served because of the limitations on resources. Do you have an estimate about how many we are talking about?

DR. MINOR: I think it depends by state, but I -- in most programs, let me say it this way, we probably could double the number of students that are being served by the programs that are currently funded.

COMMISSIONER NARASAKI: So some of the witnesses who are testifying over these two days of hearings have proposals of either they feel that there is insufficient data to show that TRIO and the other programs have been sufficiently successful so that we should just eliminate funding for that, or some of them have been successful, so perhaps it would be better to roll it all into one big general grant program that was

more flexible.

I'm wondering what your take on -- in terms of the data, how could we improve the data collected -- Dr. Minor, you noted that the Department has been doing more rigorous database research. I'm wondering what you have learned. And I'm wondering whether you -- any of you have a response to the issue, how could these programs be improved?

DR. MINOR: Well, thank you. I appreciate you highlighting the point. There is no doubt about it that we need to have better evaluation and data attached to this kind of investment annually. I make no bones about that.

In terms of what to propose in place of or instead of is an interesting question, because as durable as these programs have been, I don't think that there is consensus in the field about how to replace them or how to do the work better. I think the one thing we are clear about is that there are many factors that contribute to a young person being successful in the education system. And so there is some need for a diversity of efforts.

But one of the things that I have been very clear about, and I think the Department is very clear about, is increasing the rigor of the evaluations that

are attached to the program. Some of these programs were started 50 years ago, and rigorous evaluation about effectiveness was not a part of sort of the legislative record at that time.

But I think now, as we move forward, I think we do -- we are significantly more sophisticated in terms of the social science. We still have some serious data problems to fix, but I can guarantee you it's not just the Department, that the grantee communities and the constituents are also very cooperative and interested and willing to learn about how to more effectively serve students.

I met with the group just two weeks ago, and one of the things that I try and communicate to them -- these are not federally funded programs to build roads or to build bridges. These are young people. And I take seriously the issue that we could be spending taxpayer dollars in programs that don't effectively help students be successful in educational systems.

So it is something that we are very serious about, and I expect that to become a much more significant factor going forward.

CHAIRMAN CASTRO: Anybody else?

COMMISSIONER NARASAKI: Has Congress been providing sufficient funding to do the kind of research

that I think everybody agrees would be ideal?

DR. MINOR: The answer is no. So one of the -- what's interesting, when we raised this to the grantees, Dr. Flores mentioned that the kind of expertise and the kind of data collection and capacity required to do the kind of evaluation has not sort of been baked into the budget.

So one message from grantees is that "We are working as hard as we can, James, to serve students." Now you want to sort of lay on this exquisite, elaborate evaluation without additional resources. It is problematic, and so I think that's something that we have to take up. If in fact we are going to ask individuals who have been awarded grants to do additional work, to be responsible for rigorous evaluation, we've got to be serious about providing that kind of support.

CHAIRMAN CASTRO: Okay? Commissioner Heriot? Oh, I'm sorry.

COMMISSIONER HERIOT: Actually, I think Dr. Carr was --

DR. CARR: No, it's okay. I'll pass.

CHAIRMAN CASTRO: Are you sure?

DR. CARR: Yes.

CHAIRMAN CASTRO: Okay.

COMMISSIONER NARASAKI: I actually had one more question.

CHAIRMAN CASTRO: Go ahead.

COMMISSIONER NARASAKI: So it has been my experience that the cost of attending college is not just the tuition and fees. The challenge it seems in a lot of the reading that we have is that, not surprisingly, if you come from a poor or low income family you are trying to work full-time or a lot. And that contributes potentially to not being able to finish on time.

And so I'm wondering how much research, if any, has been done on the efficacy of providing stipends, so that students not only -- so that they can spend more time being able to study and take a full load than having to have the stress of working full time as well as trying to carry a full load?

DR. MINOR: Let me just say quickly I'm very proud of one of the programs that is run by the Department of Education. It's not a TRIO or a GEAR UP program, but we refer to it as CAMPAS, Child Care Access Means Parents and School. And essentially what it does is provide child care access for students who have children. And so I think it's a critically important factor.

One of the things that I want to make clear, and I don't know that this data point has come up in the day and a half that you all have heard testimony, is that we often talk about college students as 18-year-olds who just left high school when in fact that's not true, that the mean age of students has gone up over the years.

Right now in this country there are more individuals between the ages of 25 and 64, individuals we expect to be in the workplace, that have some college but no degree, meaning that they started college somewhere and they fell out. There are 36 million individuals in that age group, and only 33 million individuals in that age group who actually have a bachelor's degree.

What that tells me is that not only do we have to provide very traditional opportunities for individuals to earn a postsecondary credential or degree; we also have to provide less traditional ways or nontraditional ways for students who may have started three years ago, stopped out to work, to have children, to raise a family, to do those kind of things, and we have to provide degree opportunities and pathways for those individuals to return.

PROFESSOR FLORES: I think I would add

that the common student is no longer the 18- through 24-year-old, without work responsibilities or family responsibilities. So this idea of a stipend would be a great experiment to implement. Would it work? Part of that may mean, "Well, you still have to fill out the FAFSA and figure out how to comply with federal regulations."

And at the end of the day, for many poor students they never get near filling out the FAFSA. So it's -- there is going to be significant scaffolding needed to understand who would even qualify for a stipend, especially if it's federal money. So we come back to the simplification of how to even make yourself known as a student in need.

And, you know, the easier way out, so to speak, is to just pay as you go at community colleges. So I think it's a great idea. It could be a great experiment, but it is going to require additional scaffolding.

CHAIRMAN CASTRO: Thank you.

Commissioner Heriot?

COMMISSIONER HERIOT: Thank you. I just wanted to go back to a point that the Chairman started with, and point out that it's a complicated world for all races. And we talked about disaggregating data for

Asians and for Hispanics. But disaggregation is going to make things look different for blacks and whites as well, I believe.

For instance, my understanding is that Caribbean blacks tend to do better in the higher education setting than non-Caribbean blacks. And that among whites, you get some big differences as well. You know, some ethnic groups do better than others in higher education.

Jewish students, for example, have been extraordinarily successful in the higher education setting. Scots-Irish, on the other hand, have been considerably less successful in that setting, have not done nearly as well.

This is not to say that these groups don't excel in other areas, but in the area of higher education there are differences among, you know, subgroups within blacks and within whites.

Has anyone collected any data on that? Is there any plan to collect data on that kind of issue? I guess this is for you, Dr. Carr, most, but anybody else who would like to jump in there.

DR. CARR: Well, you know, it's a very complex set of questions you start asking people those sorts of things about their religion, even sometimes

their origin, their country of origin. So we have to be very careful. We work closely with OMB regarding how we can ask these questions and how we can report out on these questions. Just because the states or the school districts collect the data doesn't mean that OMB will support us reporting our data in that way.

But I do think that there is a wealth of data through other means, not just from the National Center on Education Statistics, that show that blacks -- the differentiation blacks from the African nations, for example, tend to score higher, the Caribbean blacks as well.

So there is a lot of information that tells us that we need to be paying attention to these differentiations. But we have to be careful about how we ask these questions.

PROFESSOR FLORES: I appreciate your question. I think it's very important in terms of when -- the question to me makes me think about studies of immigrant students, right, and generational status. And the Census has many data sets where you can begin to disaggregate among white, black, Asian, Latino, Native American groups, and there is considerable work thinking about bi-generational status for each group, how are they doing? And I would be happy to refer you

to that research.

I don't think the answer is to not disaggregate, because if we are thinking about where to spend federal money, or even state money, it is important to know where the gaps are.

DR. CARR: I would add one sort of technical problem with the disaggregation sort of pathway, and this is a statistical one. Once you start disaggregating at a certain level, you are not going to have enough sale size or statistical power to detect patterns that are reliable and dependable over time.

So in many instances you can't go down as far as you would like or to cross those subgroups with gender, for example. Pacific Islanders is a really good case, and there are very few, and they are sort of located in certain states. Only in about five states to be specific.

COMMISSIONER HERIOT: The thing that worries me is that I think a lot of Americans get the idea that blacks as a group and whites as a group are monolithic, and neither group is the least bit monolithic. You know, they are very complicated groups, and it is -- I take, you know, your point on the difficulty of collecting the data and the sensitivity of the issue. But it is important to me

that people understand that these are not monolithic groups.

CHAIRMAN CASTRO: Is it a quick question, Commissioner Kirsanow?

COMMISSIONER KIRSANOW: I believe so.

CHAIRMAN CASTRO: Okay. Go ahead.

COMMISSIONER KIRSANOW: Thanks very much, Mr. Chair.

Dr. Carr, what factors contribute to the determination of what -- first of all, socio-economic status. I think we have a general understanding that it has to do with primarily income, or are there other factors that contribute to a determination of someone's socio-economic status?

DR. CARR: There are three factors in the literature that are typically used to determine socio-economic status. Holland said in 1954, for example, identifies income, parental education, and occupation as the three key factors. But having done research in that area myself, I can say even within those key factors there is differentiation about what they actually mean based upon the cultural and racial makeup of the family.

So income, for $100,000 income for a black family might mean something very different than

$100,000 for, say, a white family, or having a four-year degree for a black family, a family with parents with four-year degrees, may be something very different from a family with a different sort of access to a different type of four-year institution. So it varies, and so we have to be very careful.

So the Department has depended most notably on data from the free and reduced price lunch, as I mentioned earlier. But we are having problems now with the reliability of those data. And collecting those actual income data from the parents is also a bit of a herring because they -- parents often don't want to tell you how much they make, even when you give them ranges.

COMMISSIONER KIRSANOW: Okay. So income, parental education, occupation --

DR. CARR: Yes.

COMMISSIONER KIRSANOW: -- I noted from one of your graphs that Asians, even from low SES --

DR. CARR: Yes.

COMMISSIONER KIRSANOW: -- dramatically outperform not just other groups from low SES but groups from high SES.

DR. CARR: Yes.

COMMISSIONER KIRSANOW: Do you have an

analysis or any data, has the Department done any analysis or data why low SES Asians outperform just about everybody else?

DR. CARR: Well, when you bifurcate the data by socio-economic status, regardless of how you do it, the Asians are not disproportionately located in the lower SES as compared to, say, blacks and Hispanics.

Unless you separate the Asian Pacific Islanders out, they are very poor. And so you don't see the pattern that we saw here today.

COMMISSIONER KIRSANOW: And one other question for Dr. Minor. You mentioned a number of programs, TRIO, GEAR UP, I think CAMPAS program, do you have an understanding of how much those programs -- or total expenditures for all the programs? Has it been level? Has it been flat? Has it increased from 1990 to the present? Do you have any data related to that?

DR. MINOR: Yes. We have very specific data for all of the programs in terms of the appropriation levels from year to year. I would say over the last decade there have been very small incremental increases, subject to the budget, but fairly flat compared to lots of other indicators.

And the big question again is whether or

not the investments, or a two percent increase or a three percent increase, whether or not that is sufficient to actually sort of see the movement we need to see across the country, but in the last just several years have been relatively flat with small incremental increases.

COMMISSIONER KIRSANOW: Okay. And when did those programs -- for example, when did the bulk of these programs have their incipiency? Was it recently or was it -- can you take it back to 1970s, 1980s, 1990s?

DR. MINOR: So some of the programs we spoke of earlier, the suite of TRIO programs, Upward Bound, Talent Search, EOC, were about 50 years old and were a part of the legislation, the Great Society that sought to end poverty in 1960s.

Some of them -- GEAR UP, that we mentioned, came online in 1998. Some of them, like First in the World, as recent as last year; 2014 was the first year of that grant program.

So the majority of them, there was a bundle that came online about 50 years ago, some mid-to-early '90s. Some of these represent extensions of other programs and some of them are new.

You heard me mention earlier the

President's goal to be first in the world. That has been complemented by the establishment of a grant program to spur innovation and degree completion in postsecondary education. So that program this year is only two years old.

COMMISSIONER KIRSANOW: So you --

CHAIRMAN CASTRO: I'm going to exercise Chair's prerogative here and wrap up. We're really over time, and I did want to ask one quick thing before we close.

Dr. Flores, you mentioned that -- and I think Dr. Minor also concurred -- that starting an associate's course in a community college makes it less likely that you are going to obtain your bachelor's degree. Is that correct?

PROFESSOR FLORES: Students who start -- yeah.

CHAIRMAN CASTRO: Okay. So yesterday, Dr. Flores, William Flores, President of the University of Houston-Downtown, indicated that one of their success factors is that those students who enroll in a community college and then transfer to their school, they actually have them go back and complete their associate's degree and then graduate -- go through a graduation ceremony, and that actually increases their

likelihood of completing their bachelor.

I don't think that that is necessarily inconsistent with what you're saying, but could you address that, if you are even familiar with that latter issue?

PROFESSOR FLORES: I think my light is off, so I'm going to have to speak loudly.

So the evidence I was speaking about didn't account for these potential innovations.

CHAIRMAN CASTRO: Why don't you use that microphone there? Or just let her use your microphone.

PROFESSOR FLORES: I don't think those are necessarily inconsistent stories. I think what we are talking about is an additional intervention, right? So the University of Houston-Downtown study started this intervention of taking students back, right? These other studies that I'm talking about didn't account for that intervention, so it is not necessarily that they are inconsistent. In fact, that could be an additional way, right?

The students already transfer. That already says a lot about the student, because most students never even transfer after.

COMMISSIONER NARASAKI: Mr. Chair, can I just answer his question?

CHAIRMAN CASTRO: Oh. Is that what you wanted to do?

COMMISSIONER NARASAKI: Yes.

CHAIRMAN CASTRO: Go ahead.

COMMISSIONER NARASAKI: Yes. So for the Asian American community, again, a lot of the demographics are really shaped by how immigration has created the community here, and the biggest predictor of poverty in the Asian American community is limited English proficiency.

As you know, many Asian languages aren't based on Latin, so it is very difficult -- it is much more different to learn English. And so you have a situation where a lot of parents, for example, from Korea and other countries may be highly educated, may even have college and advanced degrees, but can't automatically turn their professional licenses here into a professional license to practice whatever their career was.

They end up owning grocery stores or doing very low income work. So they are highly educated as parents, which is the best predictor of whether the kids are going to go to college. But their income is going to be very low.

COMMISSIONER KIRSANOW: My understanding

is parental education is one of the SES factors. Correct?

DR. CARR: Yes. Yes, it is. But these factors really need to be culminated into a single construct for them to be truly predictive.

CHAIRMAN CASTRO: All right. I'm going to wrap this panel up. It's fascinating. We could talk for much more. We also have another panel, and we want to be respectful of their time.

Thanks to each of you. It was fascinating and helpful.

As I bid you farewell -- you are obviously free to stick around for the balance of the day -- I would ask the other panelists to begin to move forward and our staff to change the nameplates, so we can get started on our next panel.

Thank you.

(Whereupon, the above-entitled matter went off the record at 10:35 a.m. and resumed at 10:37 a.m.)

CHAIRMAN CASTRO: Okay. We'll get started.

We are reconvening now for our second panel of the day. Let me briefly introduce our panelists and then swear them in.

Our first panelist is Dr. Timothy P. White from The California State University. Second panelist is Dr. William E. Kirwan from the University System -- I'm sorry, I'm looking at the wrong one. Yes. Okay. So you're sitting in for Dr. Kirwan. It's Patrick Hogan.

We have Scott Miller with the University of Virginia. We have Dean Maurice Apprey from the University of Virginia, and we have Vijay Pendakur from the Cal State-Fullerton school system, and our final panelist is Dr. Darrick Hamilton with the New School of Public Affairs.

I will ask you each to raise your right hand to be sworn. Do you swear or affirm that the information that you are about to provide us is true and accurate to the best of your knowledge and belief?

SEVERAL: Yes.

CHAIRMAN CASTRO: Okay. Thank you.

Dr. White, please proceed.

PANEL II

DR. WHITE: Well, thank you, Chair Castro, Commissioners, and staff, for the opportunity to speak with you today. My name is Timothy P. White. I am a chancellor of The California State University.

The CSU is a public university comprised

of 23 campuses, 460,000 students, and 47,000 staff, and we are celebrating this year our graduation of our three millionth living alum. We are one of the largest and most diverse university systems in the country, and I am honored to be before you this morning to discuss the work that The Cal State University does to expand access to a quality education, to provide the tools students need to excel and to graduate, and to carry out our public mission for the good of all Californians and Americans.

Education has a unique role as either a gateway or, in its absence, a barrier to social mobility, economic prosperity, and civic engagement and responsibility. Therefore, equitable access to quality education is an important issue in the advancement of civil rights.

The CSU was born of the idea that a high quality education should be accessible to all who are willing and able to do the work. This idea was and still is revolutionary. California's public higher education system remains a model for many colleges and universities around the country and the world.

By creating multiple points of entry, for high school graduates, transfer students, returning adults, and advanced professionals, California's

public colleges and universities are meeting the needs of the modern student. In fact, you can see the public mission of The Cal States reflected in our student population.

Half of our students are earning undergraduate degrees and receive Pell awards. And a third of our students are among the first in their family to attend college.

Many students commute from their childhood homes and the majority work to help cover school and family expenses. Students of color now make up nearly two-thirds of the degree-seeking undergraduate population at The Cal States. And more than half of all bachelors' earned annually by California's Latino students, which is the state's largest demographic group, are earned at The California State University.

Expanding assets for historically underserved students is central to the CSU mission. But access is only part of it. It is getting students to complete a high quality degree and flourish thereafter is our true goal.

The first, and often the most daunting barrier to degree completion, is college readiness. The CSU has embraced several approaches to empower students who need additional preparation to be

successful in the university environment.

These steps include partnering with K through 12 and community colleges to help students develop university level skill sets, while also forging clear degree pathways between the systems. We know that for many the near-term goal of high school or community college education is receiving that university acceptance letter, yet we, as university folk, must look out to the further horizon.

Acceptance to a CSU must come with a plan, a plan of support and the will and the ability and the resources to execute that plan.

That is why we recently launched Graduation Initiative 2025, really an ambitious effort to raise our four- and six-year completion rates while narrowing the persistent degree attainment gaps for historically underserved and low income student populations.

The core principle of this initiative is that all students should have the opportunity to succeed, regardless of the neighborhood they grew up in, the schools they attended, their parents' educational level, or their family income level.

Serving the modern student means confronting the full range of barriers they face. Yes,

I am here to tell you that these barriers can and will be overcome. CSU students, faculty, and staff are already leading the way.

We are bringing -- to bring individualized learning to scale in a massive system of nearly half a million students, and this bold action requires a combination of resources from the university, from the state, and from the federal government.

University and state efforts have also kept our tuition and fees down for students and their families, at an average of just $6,759 for California's full-time married graduates, and it has been at that rate now -- constant rate for the past four years.

Roughly half of our students graduate with no student debt, and those who do borrow do so at levels well below the national average. Modest increases in federal financial aid investment, combined with strategic reallocation of existing resources, could help ensure that the CSU students continue to have the resources they need to be successful.

For example, and as detailed in my written statement, CAMPAS state aid funds are currently being allocated inequitably. Outdated formulas mean that existing dollars disproportionately go to a few students at high cost institutions. This is a policy

area that lawmakers can, and in our judgment should, address.

Likewise, the TRIO and GEAR UP framework could be strengthened by strategically investing in transitional programs like Summer Bridge, focusing more attention on preparation in the STEM disciplines, and expanding Veterans Upward Bound, for example. These suggestions actually are modest, yet they are important and they are achievable. The combination of federal, state, and university efforts helps students stick through the early phases of an undergraduate education, which is often the timeframe of highest attrition.

These coordinated efforts are a tremendous benefit to underserved populations and begin to address the civil rights ramifications of unequal access and unequal support to degree.

The American public shares in the benefit of better access and student success through a stronger global economic position and a stronger society.

You know, we are all in this together. For me, it is professional, but it is also intensely personal. I, like Chair Castro and Commissioner Achtenberg, and so many others, are first generation. As an immigrant from Argentina, I was low income, and

my high school, like yours, did not encourage me to consider college.

But I attended the California Community Colleges, and two of the California State University campuses, and the University of California-Berkeley, and then did a post-doc at the University of Michigan.

Well, here I am. I am proud to have had the opportunity, through public higher education, to be lifted and launched into an interesting and consequential life. And part of my support came from the federal government and what was then called the National Defense Student Loan.

Thank you very much.

CHAIRMAN CASTRO: Thank you, Dr. White.

Mr. Hogan?

DR. HOGAN: Thank you, Mr. Chairman, members of the Commission. I am not Chancellor Brit Kirwan. Unfortunately, due to a family illness, he had to attend to his wife this morning.

I am P.J. Hogan. I am Vice Chancellor of University System of Maryland. I am happy to be here today.

By way of background, the University System of Maryland comprises 12 institutions, three research universities, three historically black

institutions, four traditional comprehensives, two regional higher education center, one specialized research institution, and one virtual university.

We are, we believe, a microcosm of higher education across the United States in a very small geographic state. In that vein, we experience a lot of and have a lot of takes on programs I am going to speak about.

In a moment, I will offer some thoughts on these programs and their funding, but let me begin by absolutely thanking the Commission for holding these hearings. It is very timely, with the reauthorization of the Higher Education Act coming up.

Chancellor Kirwan has repeatedly said that it is a national disgrace that students in families coming from the lowest quartile of income, graduate 10 percent, nine to 10 percent chance of graduating college, whereas students from the upper income quartile graduated 85 to 90 percent. That is just unsustainable as a society.

While there are many and complex reasons why more low income students don't complete a college degree, obviously the volume of financial aid dollars, the efficacies of these programs that make these dollars available are critical to expanding success

rates for these students.

As you know, there are roughly 7,000 institutions of higher education that participate in the federal Pell Grant and/or federal student loan programs. Many of these also participate in one or more of the SEOG, Federal Work Study, and Federal Perkins Loan programs.

I will first speak to these three programs, then turn my attention to the various TRIO programs. Let me start by noting that there are very positive impacts of these programs. I know there are proponents of rolling a lot of the programs into one loan, one grant, one work, to make the process more streamlined. And while that may sound great in theory, speaking to our campus-based people on the front line that deal with students, this doesn't hold true in practice.

The benefit to campus-based programs is that they are just that. They are campus-based, and they really are student-based. The institutions know their students and have flexibility under program requirements to award the funds accordingly. Because of that, the relatively small dollars invested in these programs have a tremendously high return relative to retention, persistence, and graduation rates for underrepresented students.

These programs level the education playing field for under-resourced students and are often the deciding factor about a student completing his or her degree. But they are woefully underfunded, and many students are not able to take advantage of that.

I'll cite an example. One of our institutions, Towson University, which is one of our comprehensive universities -- Towson enrolls over 20,000 undergraduate students. The annual cost of attendance for an in-state student, including housing, you know, room and board, is $24,688. Here is how Towson student aid breaks down from the most recent funding levels of FY14.

Pell Grants are the largest source for underrepresented low income students, more than $20 million reaching nearly 5,300 of those 20,000 students. Institutional need-based grants directly from Towson, that's $16 million, impacting 4,500 students. State grants through Maryland Higher Education, $11 million, that's 4,000 students.

Then you have SEOG, $500,000 touching 313 students. Work-study, $440,000, reaching 337 students. You can see the difference.

Just looking at the example of Towson, consider how many more low income underrepresented

minority students could be reached with additional funding and/or an improved formula for more equitable distribution of these funds.

As Chancellor White pointed out, the formula on some of these, it's as -- what is the cost of attendance? And then what is the family expected contribution? Well, if you have a very high cost-of-attendance institution, and a very low expected family contribution, where do you think the money is going to go? It is going to go to institutions that have very high tuition. It really doesn't -- I mean, it makes sense in theory, I guess if you try and think about the need there, but it doesn't serve the vast majority of students well.

This approach often results in suboptimal allocation of funding. There are often funds returned to institutions, but not allowed to be recycled to other institutions. The proposed allocation formulas from the National Association of Student Financial Aid Administrators and the Department of Education would place greater emphasis on the neediness of each school's student population, unlike the current formula.

We also want to make one point very clear. We are all for making every program effective, spending

every dollar as efficiently as possible and putting the money where it can do the most good for students, but given the relatively small contribution of federal work-study and SEOG overall aid funding, the impact of any change to the efficacy of these programs would be minimal. To significantly increase their impact, there needs to be substantial increased funds for these programs.

As you know, Congress hasn't appropriated new Perkins funding since FY2006. Since then, schools have been collecting and relending funds from the old federal contributions and old institutional matching funds.

At this point, I want to quickly turn to the TRIO programs. They, frankly, have been a wonderful success. We have participated in Upward Bound, Student Support Services, Ronald McNair Program, and they have tremendous graduation rates.

It is clear from our flagship campus that the TRIO programs have been a vital part in advancing the access and success of low income first-generation students. But TRIO programs have also received cuts in recent years. You might say they are flat funded, but if it is not keeping up with inflation it is a cut.

Let me close by returning to my original

observation. As a nation, we need to do more, much more, to support higher education access and completion for low income underrepresented minority and first-generation college students.

Sadly, because of low college participation and completion rates for low income students, the claim that America is the land of opportunity and an upwardly mobile society now are beginning to ring hollow. For many, the American dream has become a nightmare.

I, again, thank the Commission for bringing -- taking on this very crucial issue in the future of our country. I'm happy to answer any questions.

CHAIRMAN CASTRO: Thank you, Mr. Hogan.

Dean Miller?

DEAN MILLER: Good morning, Commissioners. Thank you for the opportunity to testify today.

My name is Scott Miller. I'm Director of Financial Aid at the University of Virginia.

Thomas Jefferson founded University of Virginia in 1819 with the goal of creating an educated citizenry to advance the ideas of democracy. Today, the university is comprised of 11 schools with 15,400

undergraduates and another 6,400 graduate students. Approximately 70 percent of our undergraduate students are Virginia residents.

Dean Apprey and I would like share today about part of the university's approach to access, persistence, and graduation, and the partial role that campus-based funds play in that process.

The university's Office of Undergraduate Admission reviews a student's academic credentials and extracurricular involvement to select the strongest candidates for our student body. The office practices a need blind method in which the ability to pay for school is not a criteria considered for admission to the university.

In the fall of 2003, UVA President John Kesting challenged Student Financial Services to develop a program to change the economic diversity of the university. Our office suggested meeting 100 percent of demonstrated financial need, and the university's Board of Visitors of approved Access UVA in February 2004.

The practice of meeting need for all students, in state and out of state, began with the entering class in the fall of 2004. The University of Virginia is just one of two public universities with

a need blind admission policy and a commitment to meeting 100 percent of demonstrated need for all students.

If a student is admitted to the university, finances should not be an issue to those with financial need. In order to meet 100 percent of demonstrated financial need, the university reviews a student's eligibility for financial aid from all sources, beginning with federal, then state, and finally institutional.

In the first year of Access UVA, federal sources made up 42 percent of the aggregate financial need, and state sources 11 percent. The university spent $11 million, or 30 percent of aggregate need, of its own money for need-based grants.

But for '13-'14, the university's cost was $46.1 million to meet the approximate aggregate need -- financial need of $100 million for our undergraduate population. Federal sources have dropped to 33 percent, and state sources have dropped to six percent.

For this same timeframe, campus-based funds have dropped from being 18 percent of demonstrated financial need to five percent. Access UVA has helped to increase the percentage of students with financial need from 23 percent to 34 percent of

our undergraduate population, and our Pell Grant population has increased from five percent to 13 percent.

To demonstrate further commitment for need-based grants, the university, through its recently enacted Affordable Excellence Program, has set a goal of $1 billion for endowed scholarships. Once reached, these endowments would generate about $50 million each year for scholarships and will help offset the shortfall from decreased commitments from federal and state sources.

After the initial implementation of Access UVA, some concerns arose. Some high achieving, low income students will self-select out of applying for admission, because of information in the media about increases in the cost of tuition, misunderstanding about the availability of financial aid, and fears of college loan debt.

Many low income first-generation college and unrepresented students are not receiving the advice and support they need to identify and enroll in colleges where they will persist to degree, with lasting consequences not only for those students but also for the nation.

Nearly 25 percent of low income students

who score in the top quartile on standardized tests will never go to college. College access studies have found that the complexities of college and financial aid applications are a serious barrier for low income students, many of whom are the first in their families to consider college.

The national student to guidance counselor ratio of 467 to one means that the average student spends about 20 minutes per year talking to a counselor.

According to the Department of Education, 90 percent of the fastest growing jobs today require postsecondary education, yet the U.S. lags behind other nations in young adults enrolled in higher education.

To assist with these other issues, the university began the Virginia College Advising Corps in the fall of 2005. The Advising Corps places a recent university graduate in a high school in Virginia for two years to support the work of the high school counselor by helping all students, not just those interested in the University of Virginia, to realize the dream of a college degree.

Advising Corps members are supported financially by the university, other sponsors, and by the AmeriCorps program. Currently, 17 advisors serve in 19 partner high schools, and the program became the

model for the National College Advising Corps, which is now present in 14 states and 423 high schools.

For '15-'16, the number of advisors who receive campus-based funds while a student at the university was 65 percent.

Advisors use a near peer mentoring model. High school students can easily relate to someone who is not much older than them, and who may have come from a similar background. College advisors help students identify and apply to postsecondary programs that will serve them well academically and socially, thus increasing the likelihood that these students will earn their degrees.

Based on an independent evaluation, when looking at high schools served by a college advisor compared to seniors at non-college advising corps schools, students served by advisors are 23 percent more likely to apply to college, 23 percent more likely to have heard of Pell Grants, 18 percent more likely to submit the FAFSA, 17 percent more likely to attend a financial aid workshop.

So Access UVA and the Virginia College Advising Corps are just two of the many initiatives that the University of Virginia has utilized to increase access to higher education, after we meet their

demonstrated financial need.

Dean Apprey now will tell you about efforts regarding persistence and graduation.

CHAIRMAN CASTRO: Thank you.

Dean Apprey?

DEAN APPREY: Thank you.

My approach will be the following. If and when the funding is in place, let's look at what students have the peace of mind to accomplish.

I will begin with the pivotal question: most universities have support services to facilitate an entry, retention, or, if you'd like, persistence, and graduation. These programs include peer support programs, faculty mentoring programs, academic advising, graduation audits, among others.

What is different at, let us say, the Office of African American Affairs at the University of Virginia that enables these same students -- these same programs to yield substantive outcomes?

One, there is a clear and explicit strategic position, which I will -- I can give you an outline of in a minute.

Two, the strategic position must have strategic consistency with the equally high expectations of the university.

Three, strategy perceives operational effectiveness.

And, four, as a result, our programs work because horizontally they are synchronized around leadership, identity, and academic performance. And, vertically, they all rise to the explicit and clearly stated strategy.

There has to be a strategic position that guides the practice of student support. And the strategic position is that high graduation rates must align with correspondingly high graduating grade point average. Translation: for over 20 years, the University of Virginia has led the nation, among the flagship institutions, with the highest graduation rate. Something around 83 to 88 percent. Yesterday's figure came in at 86 percent for this past year. And what we want to do is create an alignment between that and the grade point averages with which they graduate.

Two, there must be a strategic consistency between the high expectations of the university and the program that implement the strategic goals and objectives of the institution. Translation: the University of Virginia generally expects the student to graduate within eight semesters. Programmatic efforts must, therefore, be used as expectation to

guide the strategic implementation.

And, secondly, in addition, students are generally expected -- are selected who can both contribute to life at the university and benefit from it.

Thirdly, strategic position must precede operational effectiveness of the programs used to achieve the success. All programs must synchronize and design their efforts to make that expectation happen.

The point here is that graduation rates look good for the university, but they don't put food on the table. Grade point averages do, and that's why that alignment is so important.

Okay. Next, these three cohorts -- student leadership, identity and difference, student economic performance with high GPAs matter, because at the end of the day you want to have -- students to become the leaders that the university was set up to create.

Two, it matters that an African American student knows why he or she is a teacher of that particular origin.

And, third, student academic performance must allow the students to compete for greater access to more opportunities when they graduate.

When you put all these together, you will have a certain number of programs that make these things happen -- facilitate entry in an adjustment program called the Peer Advisor Program. Gets the student started. Retention programs follow, which we call the Great Style Program. It includes faculty mentoring, et cetera.

The cultural center also fosters cultural programs to create a background of safety and the sense of identity and difference where there at the school.

And, lastly, the STEM areas to be emphasized because what many -- many courses, like economics, statistics, calculus, serve as preparation for students going on to graduate, professional schools, and competitive workplaces.

Let's go to the last five slides, please.

If and when you've done this well, what you will discover is that the graduation rates will continue to stay high, and students who are in the cohort of 3.0 to 3.4 also increases.

And with that in mind, let's go to the slide that literally gives you the GPAs. Go to the next one. Go all the way to the end.

There it is. So here, for example, in the 3.4 to 4.0 range, I gave you 10 data points. In 2006,

students graduated in that cohort with 10.4 in the 3.4 to 4.0 range. Today, it is 20.7 in the 3.0 to 3.399 range, 19 -- 2006, it was 27 percent, today it is 61. Put them all together, in 2006, students graduating in the 3.0 to 4.0 range were 37.4. Today, as we're speaking, it is 81.7, more than double that GPA.

So key is focus, focus, focus, and keep the strategic position in line, and all of the programs will follow.

Thank you for the attention.

CHAIRMAN CASTRO: Thank you, Dean.

Dr. Pendakur?

MR. PENDAKUR: Commissioners, I want to start by saying thank you for the opportunity to testify before you today.

My name is Vijay Pendakur, and I'm the Associate Vice President for Student Affairs at California State University-Fullerton. My testimony aims to support and augment earlier testimony of Chancellor White on the impact of federal financial aid programs on educational attainment for minority students, specifically through the lens of Cal State-Fullerton.

Chancellor White often says, and I firmly believe, that access without the opportunity to succeed

is not true access. A meaningful education means not only getting your foot in the door, but being empowered with the support to persist and succeed all the way through to graduation.

Enrolling in college is a critical step for low income, minority, and first-generation students. But this is only the first step in a long educational journey, along which these students face proportionately greater social, cultural, and economic barriers than other students.

At Cal State-Fullerton, we have an intimate understanding of the barriers they face, and we have a proven record of giving them not just access but a collegiate experience with the possibility of great success. As one of the largest campuses in the largest state university system in the nation, Cal State-Fullerton is a model comprehensive university for inclusion proudly serving a diverse student body.

We are a designated Hispanic-serving institution and an Asian American and Native American/Pacific Islander-serving institution. Sixty-three percent of our 38,000 students identify as Native American, black, Hispanic, Asian and Pacific Islander, or multi-ethnic.

Forty-three percent of our undergraduates

are Pell Grant recipients, and 57 percent are first-generation college students. Yet at Cal State-Fullerton we recognize that access alone is not enough. We are also a national model for student success, ranked first in California and tenth in the nation for graduating Latinos, and fourth in the nation for graduating underrepresented minority students.

Furthermore, our students graduate with less debt than the average public university graduate and earn higher salaries over time. These historic achievements are a foundation for even further growth. Beginning in 2012, Cal State President Mildred Garcia initiated a strategic planning process to establish a metrics driven plan to guide our institution towards the goal of becoming a national model for how a public comprehensive university can boost graduation rates through the thoughtful efforts to keep students connected to their education and empowered on their way to a degree.

I have detailed many of the relevant strategic plan activities in my written testimony, but want to highlight several initiatives that might be of particular interest to the Commission today. Cal State-Fullerton is proud to house six TRIO and GEAR UP programs, which consist of Educational Talent Search,

Upward Bound, two GEAR UP grants, student support services, and the McNair Scholars Program.

Educational Talent Search, Upward Bound, and our two GEAR UP grants serve nearly 4,500 students who attend local high schools, with the highest need, and schools that enroll the majority of their students in free and reduced lunch programs.

These pre-college programs have a profound impact on the student participants, and our assessment results speak to these programs' success, with over 90 percent of the participants enrolling in college after they finish high school.

Beyond establishing a strong pipeline for access, Cal State-Fullerton also offers programs to bolster student success and educational quality for our first generation and underrepresented colleges students. Our student support services program aims to increase the college retention and graduation rates of participants through academic advising, tutoring, financial aid advising, and other program services.

Student support services serves 160 undergraduate students at Cal State-Fullerton who come from first-generation, low income, or disabled backgrounds, and the participants achieve a six-year graduation rate that is nearly 16 percent higher than

the institutional average.

In addition to our student support services program, we also run a McNair Scholars Program committed to empowering higher risk and underrepresented students with access to graduate education. Nationally, only 11 percent of doctoral degree recipients in 2013 were from historically underrepresented backgrounds, racial backgrounds.

Programs like the McNair Scholars work to expand our nation's population of highly trained intellectual leaders by creating a pipeline for greater diversity in future doctoral degree recipients.

By showcasing our innovative approach to fostering greater access in the community while also creating a campus ecosystem conducive to retention and graduation, Cal State-Fullerton can be seen as a case study for what may be possible at the national level.

We are already achieving great things with our past and current initiatives. But without continued and expanded federal support, these initiatives are unsustainable.

The current limitations in federal funding disproportionately affect students that rely most heavily on programs and grants from the federal government. These limitations are adding additional

obstacles for students on their pathway to transformative learning and degree completion.

We are also keenly aware that these limitations and obstacles to students can easily be remedied. We believe that a return to the year-round Pell Grant program would serve as a powerful driver for our students to finish their college degrees in a timely manner.

My President, Mildred Garcia, often speaks about higher education being a private good and a public good. Having just watched -- having just finished spring commencement at Cal State-Fullerton, I watched 60,000 family members and friends celebrate the achievement of a private good -- the attainment of a college degree.

When our newly minted titans advance in the workforce, raise productive families, and contribute to uplifting their communities, they are achieving the public good that higher education has to offer our society.

It is our moral imperative to protect and institutionalize the programs that ultimately result in equitable outcomes, not just equitable enrollment. This is one of the key civil rights issues of our time.

Commissioners, thank you for the

opportunity to testify today, and I welcome any questions you might have.

CHAIRMAN CASTRO: Thank you.

Dr. Hamilton?

DR. HAMILTON: Good morning. Thank you, Commissioners, for the opportunity to present before this important Commission.

My assigned task -- I'm Darrick Hamilton, an Associate Professor of Economics and Urban Policy at the New School, which is a university in New York. My assigned task was to examine the possible civil rights impact that access and completion of higher education has on minority socio-economic mobility. As such, my comments today are going to focus on the racial wealth gap and the role, or lack of role, that higher education plays in providing economic mobility to address the racial wealth gap.

Why focus on wealth -- wealth is the paramount indicator of economic well-being. Wealth provides economic opportunity and security to take risks and shield against financial loss, and some wealth provides people with the initial capital to purchase an appreciating asset, which in turn generally generates more wealth from one generation to the next.

Wealth is also the economic indicator in

which blacks and whites and other subaltern ethnic groups have persistently been most disparate. In the economic recovery period following the Great Recession, the 2011 Census data reveals that the typical black and Latino family own a little more than a nickel, six and seven cents, respectively, for every dollar in wealth held by a median white family. The typical black family has a little over $7,000 in wealth, while the typical white family has close to $112,000 in wealth.

Research and public policy has focused primarily on higher education as the driver of Upward Mobility. However, education alone does little to explain differences in wealth across race. It is more likely the case that wealth differences across race explain educational attainment differences.

Nonetheless, the conventional wisdom is that to address racial disparity, blacks need to simply get over it, stop playing the victim role, stop making excuses, and take personal responsibility for racial inequality. It is as if the passage of the civil rights legislation, conventional explanations for racial disparity, have evolved from biological to cultural determinant.

The implication of this rhetorical shift

is a public sentiment away from public responsibility for the conditions of black Americans and other subaltern ethnic and racial groups. For example, although affirmative action is designated as a positive anti-discrimination policy aimed at desegregating the elite institutions, including elite university admissions, a common perspective is that affirmative action amounts to reverse discrimination where unqualified blacks take the admission slots for qualified whites.

This argument underscores white entitlement to preferred social position and assumes that whites generally are qualified while, by default, blacks generally are not qualified. This ignores the historical advantage and protective access that whites continue to hold with the admission preferences for university legacies and other channels which serve as examples of hidden forms of affirmative action for privileged groups.

It also ignores the well-documented evidence from experimental psychologists Claude Steele and Joshua Aronson involving the phenomena of stereotype threat, stereotype boost, and stereotype lift. They collectively demonstrate that outcomes on high stakes standardized tests like the SAT

underestimate the achievement of college readiness for test takers from groups socially stigmatized as cognitively inferior while correspondingly exaggerate the scores of individuals from groups socially deemed as cognitively superior.

Nonetheless, the conventional wisdom is that only if black -- if only black youth were more focused on education, they could get a good job and pursue a pathway toward economic security. Yet at every level of education, the black unemployment rate is about twice as high as the white rate, since this data reveals that white high school dropouts have lower unemployment rates than blacks who have completed some college, or earned an associate=s degree.

A recent report by Janelle Jones and John Schmitt indicates that unemployment rate for black recent college graduates exceeds 12 percent and is as high as 10 percent for black recent college graduates with a STEM major. So a college degree is positively associated with wealth within race, but it does little to address the massive racial wealth gap.

For families whose head earned a college degree, the typical black family has about $23,000 in wealth, while the typical white family has close to eight times that amount with about $180,000 in wealth.

This amounts to a difference of about $160,000 between similarly educated households.

Furthermore, and perhaps more alarming, black families whose head graduated from college have only two-thirds of the wealth of white families whose heads dropped out of high school.

It is noteworthy that a good job is not a great equalizer as well. White head of households where the head is unemployment have nearly twice the amount of wealth for black head of households where the head is fully -- is employed full-time. And that is because education is not the anecdote for the enormous racial gaps in wealth and unemployment.

None of this is intended to diminish the intrinsic value of education. There is clear intrinsic value to education, along with a public responsibility to expose everyone to a high quality education. What is concerning is the overemphasis on education as the panacea to address socially established structural barriers and racial inclusion.

The racial wealth gap cannot be explained by higher education. It is explained by inheritance, bequest, and in vivo transfers which really account for more of the racial wealth gap than behavioral, demographic, or socio-economic indicators.

These intra-family transfers provide young adults capital to purchase a wealth generating asset like a home, like a new business, or a debt-free college education that will appreciate over their lifetime. Access to this non-merit-based seed capital is not based on some action or inaction on the part of the individual but, rather, the familial position in which they are born.

Insofar as we are truly interested in living up to the American promise of a civil right to economic opportunity and upward mobility for all, we need to acknowledge and address the role of intergenerational resource transfers and recognize the limitations while also recognizing the value of education.

One such route would be the right to upward mobility and economic transformation would be child trust accounts which I am happy to talk about more in the Q&A, but I think my time is up.

CHAIRMAN CASTRO: Thank you, Dr. Hamilton.

Commissioner Achtenberg, do you want to open up with the questions?

COMMISSIONER ACHTENBERG: That was a very sobering analysis, and to put into perspective the fact

that nothing is a panacea. But I also appreciate your recognition that this is a significant issue and one that does address at least partially the aspiration for upward mobility and improvement in one's socio-economic status within generations and beyond.

I would like to ask Chancellor White to comment on the strategies that have been utilized in the California State University to address the challenges with respect to persistence and degree attainment. And, if you would, talk about the way those strategies may have differed -- may differ from the strategies discussed by Dr. Miller and Dr. Apprey, given the differences between the comprehensive university and the flagship university as well as any other important differences to take into account.

DR. WHITE: Well, thank you, Trustee -- or Commission Achtenberg. For the next three and a half hours, I'll be happy to answer your questions.

(Laughter.)

I think to step above the specific program, what really I think is at stake here for students who come from the disparate sectors and fabric of society is how do we make them be prepared, feel welcomed and challenged and supported all at the same time.

And so the various programs, such as the

Summer Bridge Program or Early Start Program, let's take the San Bernardino campus in inland Southern California. Has a disproportionately high number of Pell-eligible students. There's a lot of poor kids.

And so this upcoming summer President Morales has, as a requirement, all incoming students need to be in residence for two weeks on campus before the start of the fall term. There's dollars associated with that, and we are getting that out of my office and his office to do it.

But the idea being during those two weeks the students who may come feeling that they can succeed will end up leaving knowing that they will succeed. They know where the library is, the laboratories are, they know how to interact with some new students, they know that the faculty are there to support and engage.

So I think before getting into specific programs, Commissioner Achtenberg, I want to say that the idea here is sort of a Velcro idea, and students who come from first generation and don't have a family member just say, "Hey, how do I go about being successful organic chemistry?" or "How do I recover myself when I stub my toe on my essay on American History?" We have to provide that level of support at the same time holding a very high expectation for

achievement.

So these programs that take at scale for us, but individualize those kinds of experiences, in the weeks and months and years before they get to us in the university, and then once they're there to also have early in their first and second year, which is the place where the greatest attrition occurs, the fact that they can get into a small learning community by whatever design, whether it's a peer mentoring group or a cohort faction, or into a laboratory or a clinic or a studio where they get that personal attention and realize that they are both welcomed and challenged.

So we often get criticized in California for having low four- and six-year graduation rates, calculated on first-time full-time students when you have a comprehensive facility that -- as we heard earlier, you know, who our average age is around almost 25 years of age now, and they are -- most of them are working 30 hours a week or more.

They, in order to manage life, cannot take a full load all the way through. We could raise our graduation rates by excluding those students from enrollment, but I think we have taken the position at the CSU that we should be prideful and crow about who we graduate, not who we exclude.

And so we are working hard on getting more students to degrees sooner by these cohort individualized programs recognizing that they are not a monolith, as you mentioned earlier, across any race or ethnicity, but rather to individualize the programs that help support them have success and achieve and move to a degree sooner. And that may differentiate from the flagships who have a different admission standard.

And coming together as Americans, all of those pathways, I think that's the other point I'd like to make is, you know, America is not a monolith. And so multiple portals of access, multiple ways to be successful, that's the way the American dream in this multicultural world of ours will succeed going forward, it seems to me.

COMMISSIONER ACHTENBERG: Could I ask -- yes.

MR. PENDAKUR: I was just going to tag on to the back end of Chancellor White's comments with some specific remarks from Cal State-Fullerton's vantage point. I recently made -- I am a new addition to Cal State-Fullerton, and I -- my past experiences for a number of years have been working on issues of student retention, persistence, and timely graduation in selective institutions or flagship state institutions.

And so I thought, okay, I'm coming to Cal State-Fullerton. I've done my research. I've got a good idea of what is going on here, and I am entering an environment that is 98 percent commuter, 50 percent Pell, the majority minority, HSI, ANAPISI, a lot of the methodologies that have been normative at flagship state institutions and selective private institutions are limited in their scalability. All right?

And so the emphasis at Cal State-Fullerton has really been on persistence and timely graduation strategies that are imminently scalable. And so one of the, you know, sort of more granular points I wanted to add to the conversation is the importance of things like -- of technology.

We don't have the funds to hire the number of academic advisors to meet NACADA standards, right? We are not going to get to that 250 to one ratio on academic advisors to students to do truly transformative intrusive advising every step of the way.

But what we can do is onboard technologies that allow the academic advising staff that we do have to use a much more sophisticated, predictive analytics platform to make sure that the advising time they spend with students is spent on the students who need the help

the most and on the students who are most likely to benefit from one to two points of academic advising engagement across their first two years at the institution.

So really leveraging I think what in the private sector would be called "big data," right? To benefit core practices like academic advising. Alternately, putting technology in the students' hands, allowing them to use a mobile platform to bring a sense of coherence to their degree pathway.

One of the things we know on the persistence side is that whenever students see a diffused, murky sea of you've got nine million options on your way to graduation, it actually can result in some level of analysis/paralysis, right, and the inability to move forward.

An hour ago we were talking about community college swirl, right, and the inability to really leverage that associate's degree effectively. Well, we are able to put technology in students' hands now, and soon we will be better at it, that allow them to really see their degree pathway mapped out for them from their first year forward, right?

So that they can say, you know, I'm thinking about switching from this major to that major,

which is very common, right, what will the implications be on all the credits I brought into the system? And how will that reorganize itself so that my time to degree doesn't change? What do I need to do as a result of this shift in career discernment and the need for a new major?

And so that they don't have to be able to sit down with an advisor for an hour to map that out. We have been able to access technology that will remap it for them. And so I think the combination of some of these really scalable enterprise-wide solutions we are looking at are important in the thinner budgets and in the very high-risk ecosystem, that is access-focused, comprehensive, like Cal State's embodies.

COMMISSIONER ACHTENBERG: And I would imagine, Dean Apprey, that those principles, although slightly different, have some resonance to the presentation that you made.

DEAN APPREY: I do think that sometimes we make the mistake of scaling across a campus too soon. We find a successful program and we are too quick to try and save money, and, therefore, try and get everybody into that system.

I'll put my business school hat on and say

short bursts scaling across is the way to go. You don't say, "Oh, this program has a wonderful peer advisor program. Let's do it for everybody." You've got to systematically think your way through it.

There are very specific things that we have done that I think makes students successful, and I would do this whether I'm a small university or a large university. There are specific advising and mentoring skill sets to impart.

Students don't typically -- students from underrepresented and underserved groups don't typically do well in STEM areas or math intensive areas, unless special efforts are put into those. So the very specific counseling strategies, like making sure they have course sequences in the right place, making sure no one takes economics before they have done calculus and statistics because you've got to get them oriented to the idea that quantity and change comes before quantity and chance, quantity and chance comes before quantity and prediction.

If you have these kinds of specific strategies in place, they can do economics, they can do genetics, they can do engineering, they can do experimental psychology. Right.

COMMISSIONER ACHTENBERG: Thank you.

DEAN APPREY: Thank you.

COMMISSIONER ACHTENBERG: Could I ask one more question, Mr. Chairman?

CHAIRMAN CASTRO: Sure.

COMMISSIONER ACHTENBERG: Both for Dr. Hogan and Chancellor White, could you talk about the number of students who come to your campuses from the community college and so -- at least my recollection is almost two-thirds of the students who are graduated by the California State University came to the university as transfers from the community college.

And yet Commissioner Yaki -- the answer to Commissioner Yaki's question about how predictive of success is actually going to the community college in the first place, those two -- what is the relationship between those two seemingly contradictory statistics? Chancellor White and Dr. Hogan.

DR. WHITE: Well, briefly, we admit about 110,000 students every fall, of which about 50 percent come from the community colleges, so about 52-, 53,000 students, and the balance are either restarting or coming out of high school.

And, you're right, the community college transfers for us tend to be more successful and result in being about 60 percent or so in any given year --

it varies -- two or three percent of our overall graduates.

A couple of things have come to play. First of all, in various regions, Long Beach being one, there is an affiliation between the K through 12 system, the community colleges, and the Cal State campus in Long Beach, to where there is -- the faculty and the administrators and the -- you know that if a student does the right things in K through 12 and goes to the community colleges and takes certain courses and performs at the right level there, they are assured admission into Long Beach State, and they can get through in two more years or three more years.

That partnership is developing in many different areas. Fullerton has one come up in Northern San Jose, San Francisco Bay area. So that is one thing, we have sort of regionalized the systems and created that feeder system in that region.

There is also legislation that occurred a handful of years ago in California creating associate degrees for transfer, which actually challenged both the community college faculty and the California State University faculty, and, to a lesser extent, the University of California faculty to create model transfer curricula in which students, if they take a

certain set of courses at a given community college, it is guaranteed access when they pass those at the appropriate level, guaranteed access to a California State University campus.

And that has just started about two or three years ago with some degree of success. This last year some 6- or 7,000 of our students came in with an associate degree for transfer. That means their entire lower division work is taken care of, and they can get right into their major and have a much greater probability of success.

The swirl part that happens and the getting lost part of this happens when they just get thrown out of high school into a community college without any direction. And I think the paralysis of too many choices and the distractions of life is what gets in the way.

And so we actually worry sometimes, particularly in first-generation low income, that if they get thrown into a community college without some sort of a lifeline that we will never see them again, and they will go off and never fulfill their potential.

So it is -- I don't think they are contradictory, but I think it's -- the evidence of where there is success means that there is some structure and

some expectation to go beyond the community college.

COMMISSIONER ACHTENBERG: Thank you.

Dr. Hogan, do you want to comment?

DR. HOGAN: Sure. Some of my comments will sound very similar to Chancellor White's, but I'll give you also some specifics. Fifteen years ago, we took in three first-time full-time freshmen in the University System of Maryland for every one transfer.

In 15 years, now today, it is a one-to-one ratio we are taking in. That is a huge shift. Why? I think it's societal. I think parents and society have deemed community colleges as a good -- and I'm not a spokesman for the community colleges, but maybe I'm just lucky.

In Maryland, we have -- there are great community colleges all around the country. We have 16 phenomenal community colleges. And if you think about what -- people always say, "Oh, it's so expensive to get a college degree." There is an affordable way if you want, and there is no more affordable way than going to community college, living at home. You might be living at home for work reasons, for family reasons, all kinds of reasons, and then transferring and doing your last two years at a four-year institution.

Now, for that to work, as Chancellor White

said, there has got to be some structure to it. We have a program in Maryland called ACES, and it is a collaboration between the University System of Maryland, the community colleges, and K through 12, where the community colleges send coaches down into the K through 12 schools, identify students, low income, first in the family potentially going to college, who just with some structure that frankly they don't have at home, or there is not a family history of, you know, it's not a question of where are you going to go to college, you know, their question is if we are going to go to college.

And they help them. They get them on a guide path, a glide path and guide path to college. We have a Way to Go, Maryland Program that system runs. We go out into middle schools around the state, and especially low income middle schools, and have seminars, invite the students and parents in, and this is what -- this is the academic track you need to get on, okay, starting in middle school, so you are college ready.

Oh, and by the way, here is -- start thinking about scholarship programs and financial aid programs. And if you can put away a little bit of money, I mean, $25 a month, I mean, you know, we have

a college savings program, you know, so all of those structures are in place, and we have a very, very almost seamless articulation system between our community colleges and our four-year institutions. And that is key also.

There is nothing worse than going to a community college, taking all -- you know, taking 60 credits and having, you know, 40 of them transfer. To be successful, they -- I mean, they need to be -- you know, they need to be real courses, they need to be aligned with the courses for freshman and sophomore year in a four-year institution, but that they will transfer. So when that student comes in and in their junior year, they are truly a junior.

COMMISSIONER ACHTENBERG: So there are programs that work.

DR. HOGAN: Yes. We even have -- one last one, if I may.

CHAIRMAN CASTRO: Sure.

DR. HOGAN: We found a lot of students who -- talk about this churning or swirling or sometimes we call it just credit accumulation with nothing to show for it, we found a whole group of students who went to a community college, got, you know, 30 or so credits there, then transferred to a four-year institution and

got another, say, 40 credits, and then that's it. Okay? They now have 70 credits; nothing to show.

We have a reverse transfer process. We identify those students. We communicate with the community college, and that student -- because that student is likely, with 60 or more credits, if they're the right courses, is eligible for an associate's degree.

And, you know, so they have some certificate, some -- also, I'm sorry to go on, we established by legislation a 2+2 Program that rewards students for going to community college, getting an AA degree, and then transferring to one of our four-year institutions.

Okay. If they go to community college, get their AA degree, and they transfer, they get $1,000 a semester scholarship. If they're a regular -- all majors. If they're a STEM major, it's $2,000 a year. I mean, there is a financial reward incentive for doing that.

An institution like Coppin State University, historically black institution right in Baltimore City, they are -- woefully low six-year graduation rate. Students who transfer from community colleges, four times as high graduation rate. So I was

actually quite concerned when I heard statements that community college transfers don't succeed. We don't have evidence of that. Ours do succeed.

CHAIRMAN CASTRO: I want to acknowledge that for some time now Commissioner Kladney has been on the line, and so he just hasn't asked any questions, but he is listening and participating.

COMMISSIONER KLADNEY: Thank you, Mr. Chairman.

CHAIRMAN CASTRO: You're very welcome.

I will now turn it over to Commissioner Kirsanow, followed by the Vice Chair, and then that may end up taking most of our time. If we have additional time, Commissioner Narasaki and --

COMMISSIONER KIRSANOW: Thank you, Mr. Chair, and thanks to the panelists. This has been very informative.

At some point in the near future, we are going to be writing a report that is going to make recommendations probably with respect to increasing college access, persistence, and attainment rates for underperforming minorities. And we have had several panels that have been phenomenal and they have cited a number of programs that ostensibly increase all of those rates.

But when you write a report to Congress and the President, it comes down to basically one thing: money. Okay? So I have heard from a number of panelists that we need substantially more funding. I also have heard from panelists that some of these programs have been in effect for 50 years. We have had a Department of Education that has been in existence for 36 years. Its budget is $70 billion a year. It spends trillions of dollars, and our SAT scores are flat.

We hear that our college attainment rates have gone from being number one in 1990 to number 11. We are spending trillions of dollars, and we've got very little to show for it. Then, I saw another graph today that shows that the achievement gap between blacks and whites for the last 23 years has narrowed by two points -- two points. That means it is going to take 300 points to -- 300 years before it's erased.

That, to put it charitably, is just a modest improvement, and I'm being very charitable. And I don't mean to be throwing cold water on all of this, but if we are writing a recommendation to Congress, if it comes down to money, of the myriad programs I have heard about here -- and there have been a number of very interesting ones.

I have heard from -- you know, Dr. Apprey has got a lot of interesting approaches. Mr. Pendakur has a lot of -- all of you have. Bang for the buck. Which ones, in your estimation, are the most effective?

DR. WHITE: Well, I would say the ones that allow our students to engage with faculty on a campus and not be scurrying off for a part-time job, so they can actually engage in the learning enterprise, are the ones that probably bring the most value. So that's the sort of thing -- the work studies, right? Because you are working in a laboratory with a faculty member, who says, "Hey, you've got your organic chemistry exam coming up tomorrow. Do really well on it." Somebody cares about these kids.

I think the -- so they don't -- to me it's -- you know, education to me is more than just the ABCs or their majors. It is learning how to work in group settings. It is learning how to set goals. It is learning how to aspire for success but manage defeat. It is much more than just being able to know a Sarbanes-Oxley if you're an accounting major, right?

And so I think if I were to be saying what matters the most are the types of support mechanisms, let those who come from a low income status or a first-generation status, a naïve status if you will,

of how to -- what college is all about, the opportunity to be engaged and to stick and to really focus, and not just be dropping in and dropping out and taking a class.

CHAIRMAN CASTRO: Go ahead, Mr. Pendakur.

MR. PENDAKUR: Just, you know, I think, Commissioner Kirsanow, one of the things you said really struck a chord. Right now, the largest public coherent effort to try and address a lot of the problems you're naming is the Access to Success Initiative. Right?

It's a national effort. It is -- over 22 I think state systems are involved, hundreds of institutions, to try and connect historic commitments to access to actual issues of college success. And the learning that I want to share with you from the midterm report that came out in 2012 is that strategies that affect overall improvements in persistence in graduation for students in four-, five-, and six-year grad rates and higher education, do not necessarily result in closing the achievement gap.

So my mic is out of batteries, but I'm a loud person. So closing the achievement gap oftentimes takes different strategies than improving the overall four-, five-, and six-year grad rates. So in the Access to Success Initiative, institutions were

able to do a lot of good in the first five or six years of the initiative in moving the needle on four-, five-, and six-year grad rates. But when you move the overall by 10 points, and let's say African American students were lagging by 15 points, and everybody moves by 10 points, African American students are still lagging by 15 points, right?

So I think that there is almost two conversations to be had there -- how to improve the overall ecosystem of higher education so that it supports student persistence and timely graduation, and then how to embed identity-conscious approaches to retention, persistence, empowerment for specific group members that their identity is at the crux of how they are experiencing higher education, right?

The institutions that have been able to move the needle at all on closing the achievement gap are doing both and are trying to also work very specifically with higher risk student communities to make sure that they are supported, mentored, you know, engaged with faculty, embedded in high impact practices, all the good stuff, right? But that has to be done with great intentionality around issues, if you're talking about the achievement gap for students of color, around race.

And so I think -- I just wanted to make sure that that was stated for the record today.

CHAIRMAN CASTRO: Dr. Hamilton?

DR. HAMILTON: So I guess I want to add some caution, which is I'm hearing some -- I have concerns about diversion of resources into community colleges at the expense of four-year colleges. The concerns I have is that a fear of taking away choice and creating apartheid-like systems that lead to one strategy towards education success for one group of people and another strategy for another group of people.

I mean, we could talk about success. At Harvard University, net tuition is the key. The plan that they have, which allows all income qualifying students to get debt-free education, is effective. So we can find effective programs, but I want to add that cautionary tale, and then I want to end by talking about some new findings that we are -- that me and some collaborators are coming up with -- looking at, Yan Jun Nam, Sandy Derrity, and Price, using the panel study of income dynamics.

They have an indicator of giving -- family giving to adult children towards various activities, and one of which is education. So clearly that is

supporting their children in higher education.

And it is not a surprise that white families are more likely to engage in that activity than black families for the resource differences that I cited earlier. But what we are finding that is perhaps surprising is that when a black family -- that black families that do support their children, their resource positions are dramatically less than those of whites, which is suggestive that there is not a lack of value for education within black families.

But the other point is that when we look at outcomes for their children, of the black families that give in comparison to the white families that give to their adult children, the adult children have similar graduation rates from high school, and the black families are nearly twice as -- I'm sorry, not twice as likely, nearly 33 percent more likely to get a graduate school degree, et cetera.

And, indeed, 55 percent of the black children -- of the adult black children who receive help from their families supporting higher education actually do get a graduate education degree. Of course, those results have all types of selection and reverse causality, but what is noteworthy is that resources really are key and that there are families

that aren't even within -- when we think about these deficit models, there are some families that have resources in these subaltern groups that are able to come up with great outcomes.

I hope that's helpful.

CHAIRMAN CASTRO: We do have a little extra time. If you are done, Commissioner Kirsanow -- I'm sorry. Did you want to say something?

DEAN APPREY: I can add a bit more to it.

CHAIRMAN CASTRO: Okay.

DEAN APPREY: In institutions, resources are key because when our students have the peace of mind to focus on their work, we have the strategies to help them get their work done. Rome wasn't built in a day, but it was built.

The University of Virginia was -- is a classic example where African Americans and others could not even enroll at the university, I am told, in the late '50s. Now we are top of the list. So we have got what it takes to do it. Protect the resources, and we'll get the work done.

CHAIRMAN CASTRO: Commissioner Kirsanow, if you're done, I'll have Commissioner Narasaki ask a question, and then we might have time to get Commissioner Yaki in as well.

COMMISSIONER NARASAKI: Thank you. I just want to first of all applaud UVA for moving to a need blind admissions and making a commitment of support to make sure that everyone who qualifies is able to attend. I think that's an amazing act of leadership among a very important flagship school. So I just want to note that.

So it's not that we're all complaining about everything up here.

(Laughter.)

So I have two quick questions. One is, Chancellor White, you noted that you thought, in answer to Commissioner Kirsanow's questions that anything that helps students be able to actually spend more time studying and engaging in schools would be the most helpful, and you mentioned work study.

I wanted to also ask about some other options. So one of the things that we have in our reading is the notion that, you know, the Pell Grant amounts have really sort of fallen behind in terms of even covering the full cost of college, much less providing any kind of stipend.

So I'm wondering what your position is in terms of raising the Pell Grant amounts, and also whether a stipend program might be worth exploring.

And then, the second question I had was for those of you who talked about the TRIO programs, so there has been some recommendation that the myriad of different programs be merged into one more general grant program, and I'm wondering what your thoughts are about what kinds of reform in those programs might be helpful.

DR. WHITE: So thank you, Commissioner Narasaki. Yes. I think it is really the combination of the opportunities that are out there, so Pell, of course, provides some resources. I am concerned, particularly for students of color and of low income, that it has been in recent times excluded from summer session.

I think that is an artificial barrier to students. If they fall behind by one course, they could get back on schedule and get through quicker if they could get some Pell support during the summer. So I think there is a policy issue there that should be reconsidered.

The stipend model I think is an interesting one to try on a pilot basis. I actually come from the belief that we ought to be clear as a nation and as a state, and in my case as a system on goals, but loose on the means to get there. And so a campus like

Fullerton can tailor their financial aid around the types of students that they have, which differ than the kinds of student we have at Cal Poly San Luis Obispo, for example, in terms of their backgrounds, and so forth.

So some degree of flexibility I think would be paramount in how we can -- and then hold campuses responsible and accountable with data on success of meeting certain objectives, I think that's important as well.

But it is the combination of these avenues that -- you know, education for a student is so personalized and individualized, yet we are doing it, you know, in our case on a big scale. Virginia is a big place. I mean, so I think it's -- that's the challenge in front of us is, how do we manage both the flexibility, hold people high on accountability, but have outcomes that matter for America.

COMMISSIONER NARASAKI: Thank you.

CHAIRMAN CASTRO: Dean Miller?

DEAN MILLER: Can I speak on that? I would just like to echo what Chancellor White is saying about the two Pell in one year, the summer Pell, because we saw -- we have a limited amount of money that we can use to be able to assist students for summer school,

which does allow them, if they are not meeting satisfactory progress or they need to get ahead or they want to try to do a double major, or something along those lines, and especially our low income students, by having an additional Pell for the summer, it allowed our institutional aid to go further and to be able to help other students.

As far as a stipend, one of the things, when we're meeting 100 percent of need, that need includes not only tuition, fees, room and board, but also personal expenses, books and supplies, being able to travel home and be able to get to school.

And, you know, the bigger issue for us is when we're meeting, you know, a student that has a zero EFC, and we are able to refund some financial aid to be able to assist with those items, then it becomes a financial literacy issue.

You know, how do you take that refund, how do you budget it for the entire semester, and to make that money meet your need in the form of like a stipend.

COMMISSIONER NARASAKI: Yes. I mean, I'm thinking about stipends -- many of the panelists come from schools where the students are actually having to work full-time. So it's not just the cost of school, it's actually also you have less time for school because

you're working 40, 50 hours a week.

CHAIRMAN CASTRO: Okay. I'm going to give the Vice Chair one question and then Commissioner Yaki one question. That will be the last one.

VICE CHAIR TIMMONS-GOODSON: Well, thank you very much, Mr. Chair.

We heard on yesterday from other panelists that the federal government was investing in higher education at the tune of about two and a half times more money than the states were investing. And it was advocated by at least one of them that we do something, that we change that funding model, perhaps a model that would have the federal government match to some degree the monies that the states were putting in, that they needed to have some skin in the game.

I was wondering if representatives from a couple of the systems here will care to comment on whether that has any appeal to you at all.

DEAN APPREY: That would be a disaster for the state of Virginia. It would a boon to North Carolina, but it would be a disaster for the state of Virginia, because we don't put enough money in our system.

VICE CHAIR TIMMONS-GOODSON: And we're putting in less and less as times goes by.

DEAN APPREY: Absolutely.

DR. WHITE: You know, I think, I mean, there is some merit to the concept, and in fact, you know, we are in our final budget negotiations. If you would like to call Governor Brown for me, I would be happy to give you his cell phone.

(Laughter.)

I think, you know, what is sort of difficult in this nation, and it will happen again sometime in the not-too-distant future, is the next recession. And in the state of California it took $1 billion, one-third of the support out of the California state universities over the course of about two years.

If there was some -- everybody was suffering across the country, so it wasn't just a California-specific thing. But a more refined partnership between the federal and the state governments on shared responsibility. One of the points I tried to make is we are all in this together. To help buffer those sort of moments may be something that is actually worth doing some deeper thinking on.

DR. HOGAN: We are a state public university system. I mean, just by that definition that means the state should be investing in its public higher education system. Knock on wood, I have been

fortunate to be in Maryland. That has not cut higher education funding as dramatically as it has in many states.

But if I was in that situation, I would submit that the federal money should have some type of maintenance of effort provision to it. Why should a state abandon its responsibility and effort to funding its public higher education system and let the federal government pick up the tab, or the student, or the parent, you know, whoever is paying. It is a -- absolutely, it is a shared responsibility.

CHAIRMAN CASTRO: Thank you.

Did you want to say something, Dr. Hamilton?

DR. HAMILTON: Really quick. History has shown us in multiple dimensions that that shared responsibility is disparate based on race, and that race plays a huge role. So if we are interested in civil rights, it is ethically right that states should contribute, too.

But we have seen -- I guess I'm rambling on, but I can cite many examples -- the G.I. bill, administration of the G.I. bill, as one that led to disparate outcomes in higher education by having it administered at the state level as opposed -- even

though the funding came from the federal level. We can go on and on and on.

If we were to come up with a program like this, we can look at examples of, I imagine, Mississippi, which has a high concentration of blacks, might not contribute as much as a state like California, which has been a leader. So I would have grave concerns if we went to a pattern if the goal is to increase access for all groups where we had more agency within states of how those funds were administered.

CHAIRMAN CASTRO: Okay. Thank you.

Commissioner Yaki, a quick questions, please.

COMMISSIONER YAKI: I don't know if it's going to be too quick, but I'll try and do the best I can. You know, I'm glad to hear what was said about the Cal State system with regard to the community college program. I would just also add that Kearney has a similar type of structured program that tries to take people and get them into the kind of curriculum to get them into a four-year college.

And it is apparently showing dramatic success -- it is called the ASAP Program -- to get people out of the swirl. It's interesting because what wasn't said, but in a separate conversation I had with Dr.

Pendakur, he was talking about the fact that you basically run out of Pell Grant eligibility if you're caught in that swirl.

And then you may go to the four-year institution, and then after your second semester, you know, you're off. And then you're in deep trouble.

Access has always been a particular concern of mine. The impact of -- disproportionate impact of standardized tests on minorities is something that has always concerned me. And we don't need to get too much into that right now, other than to -- I want to ask this one question because I have you all here.

Have you seen -- and I'm not an advocate for or against, but have you seen any impact in terms of minority application rate or minority scores in applications with regard to the consequence of Common Core coming into the curriculum at the high school level? Has anyone seen anything there? Is it too early to tell, I suppose?

But it's something I would hope that you could watch for and look for because that's obviously going to -- some critics for minority communities were concerned that Common Core's testing or curriculum may actually decrease the number of minority graduates from high school.

I see the Chancellor leaning forward.

DR. WHITE: I think, you know, we're actually, unlike some places in the country, are leaning forward pretty strongly on Common Core. And as we go through the transition, recognize there is going to be some white water in the numbers that emerge, and so our folks have been doing what are sort of the surrogates for the standardized testing, and the answer -- things like PSAT, and so forth, so we are actually doing multivariate analysis and trying to use other measured variables to make sure we don't inappropriately exclude anybody, and the consequence of that inappropriately excludes somebody of color or of poverty.

So I think we have actually followed this deeply, and we recognize it will smooth out on the back end. We just have to kind of get through it first.

CHAIR CASTRO: Anyone else on the panel want to answer? If not, I will remind you all that we have -- the record is open for an additional 30 days. If any of you would like to supplement any of your presentations or elaborate on any of the questions that were asked of you, we'd encourage you provide us with that information over the next 30 days.

Thank you, everyone, and we are going to

take a break now until 1:00. We will convene here starting at 1:00 for the afternoon panels.

Thank you.

(Whereupon, the above-entitled matter recessed for lunch at 12:03 p.m. and resumed at 1:01 p.m.)

A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

(1:01 p.m.)

PANEL III

CHAIR CASTRO: Back on the record this afternoon for our third panel, and I don't know how many of the panelists were here earlier, but I'll just sort of repeat for the sake of housekeeping how we're going to keep track of your presentations.

Each of you will have an opportunity to speak for seven minutes. That will be timed by the series of lights. Green means you go, yellow you'll have two minutes to wrap up --

COMMISSIONER KLADNEY: I'm here.

CHAIR CASTRO: Thank you, Commissioner Kladney.

And then red, I ask you to stop so that we can then get to the next speaker and then have an opportunity for the Commissioners to ask you questions.

Our first -- I want to introduce our panelists and then I will swear you all in.

Our first panelist is Mr. Neal McCluskey from the CATO Institute for Economic Freedom.

Our second panelist is Mr. Ron Haskins with the Brookings Institute.

Our third panelist is Michele Siqueiros from The Campaign for College Opportunity.

And our fourth and final panelist is Ms. Ann Neal from the American Council of Trustees and

Alumni.

I will ask each of you to raise your right hand and swear or affirm that the information that you're about to provide us is true and accurate to the best of your knowledge and belief, is that correct?

(Chorus of affirmative responses.)

CHAIR CASTRO: Okay, thank you.

Mr. McCluskey?

MR. McCLUSKEY: Thank you for inviting me to speak to you. My name is Neal McCluskey --

PARTICIPANT: Sir, your microphone.

MR. McCLUSKEY: Oh, can I start over?

CHAIR CASTRO: Yes, go ahead.

MR. McCLUSKEY: Does that count against me?

Thank you for inviting me to speak with you. I am the Director of the Center for Educational Freedom at the CATO Institute, a nonprofit non-partisan public policy research organization.

My comments are my own and do not represent any position of the institute.

I want to start by saying that while I will be speaking about ethnic and racial groups, all people are individuals. No sum of any person is his or her race or ethnicity.

I should also note that I have not previously done research dealing with racial and ethnic achievement gaps but am familiar with the gaps from studying American education as a whole as well as researching the effects of contributors to student performance.

My areas of focus have been school choice, federal policy, higher education costs, and social capital.

Importantly, low-income African Americans, at least as of a 2002 National Bureau of Economic Research paper, do not necessarily attend college at lower rates than low-income white students, at least among students who have graduated high school. The report did not look at Hispanics.

From 1969 to 1997, low-SES black students were generally more likely to enroll in college than whites, though the rates fluctuated and by the end white enrollment exceeded black. That said, it is unclear what the trend has been since the late 1990s.

While enrollment for low-income African Americans may have been roughly consistent with whites, the schools in which blacks have enrolled have tended to be of lower quality.

Perhaps due in part to the quality of

college's access, there may be disparities in completion. Low- and moderate-income blacks and Hispanics appear to complete post-secondary education at lower rates than white students. According to work by Camburn, low-SES white students are more than twice as likely as black or Hispanic students to finish college. Camburn's work was published in 1990 and based on only six metropolitan areas.

Of course, success in college is connected to academic preparation and success before college. The National Assessment of Educational Progress exam shows shrinking but not disappearing black, white and Hispanic, non-Hispanic white gaps when scores are broken down by poverty.

There are many factors underlying achievement that need to be addressed, especially for low-SES African Americans whose scores lag those of low-SES students of other groups.

One may be inadequate resources. However, research suggests that this is unlikely to be a major problem due to weak correlations between spending and outcomes, and spending and resources for black and white students have not been largely equalized. RAND also reports that out-of-school factors may be four to eight times as important as

in-school factors for test scores.

Perhaps there are cultural issues at play, meaning generally speaking, held -- generally held group values and orientations.

One area where there seems to be no meaningful distinction among groups is that all believe education is very important, but this does not translate into equal enrollment or completion.

Part of this likely stems from orientations that are correlated with lower academic outcomes. For starters, African American families are more likely to be single-parent and large than are white families, making it more difficult for children to get regular high quality interactions with adults conducive to maximum emotional and cognitive development. This disparity likely stems from the family-destroying practices of slavery and Jim Crow.

A potential proclivity stemming from generations of disenfranchisement is assent among African Americans that education is very important, but societal structures make overall success very difficult, potentially dampening motivation.

Possibly supporting this are large African American NAEP gains from the late 1970s to 1990 that may at least partially be attributable to an improving

civil rights environment.

Feelings of powerlessness remain, however, and given high-profile cases of possibly egregious police misconduct -- can you hear me now?

CHAIR CASTRO: Yes.

MR. McCLUSKEY: Let's see --

CHAIR CASTRO: Egregious police misconduct.

MR. McCLUSKEY: Oh, very good, you've read this before.

CHAIR CASTRO: I was listening closely.

MR. McCLUSKEY: And given high-profile cases of possibly egregious police misconduct as well as stubborn economic gaps between blacks and whites, they could grow.

There's also significant difference in the way parents interact with their children. In particular, there are large differences based on SES in both the volume of words to which very young children are exposed and the quality of verbal interactions. It also seems a class of parents interact with their children in ways that enforce the expectations of their class rather than pushing all kids toward in-demand analytical thought.

That said, everything from learning

experiences outside of a child's home to how a child is disciplined appear to affect outcomes. The presence of quote unquote "middle class parenting practices" seems to have significant effect.

There also appears to be some racial correlation, with African American parents somewhat less likely to use preferable parenting behaviors, even after controlling for SES.

How can we mitigate these problems? For one thing, it appears that the overall culture of schools with more white students is conducive to better outcomes for African Americans, though this is likely tied much more to SES than to race.

Numerous studies have found positive peer effects, likely because a college-going ethos is more likely to be present in such schools as well as social networks that more easily enable people to get information about colleges.

School choice can help. Magnet schools, charter schools, such as Kipp, and many private schools can enable low-income children to move from public schools assigned based on home addresses, which are often dictated by segregated housing, and access schools focused on college.

Random assignment studies have found

private school choice programs have significant positive effects, especially for African Americans, including increases in college enrollment persistence.

What are the effects of aid programs to help afford college? The short run, aid makes college more affordable than if all students had to pay public prices.

However, logic and empirical evidence indicate that colleges raise their price in large part because aid enables them to, while skyrocketing prices are not primarily a problem of decreased state appropriations. Those would have little effect on private institutions. When room and board is included, public institutions have rate prices far in excess of state revenue loss per student.

This has likely hit low-income students the hardest. Merit aid also appears stacked against minorities. Merit-based institutional grants go disproportionately to white students, a disparity that applies even among top academic performers. This is particularly problematic if minority students are most hurt by high sticker prices which merit aid enables to rise.

What is the track record of federal programs intended to smooth students' paths to college?

Federal programs such as GEAR UP, Upward Bound, and Talent Search programs found only very limited benefits and used less-than-ideal research methods. These are reflective of other federal programs. There is no compelling evidence that they meaningfully ameliorated college preparation or access problems.

As noted, there is significant evidence that federal student aid programs have exacerbated price inflation.

The other under the age spectrum, while it seems that deficits low-income children have before kindergarten could be ameliorated by programs such as Head Start, the research on large-scale government pre-K programs does not support this, typically either finding the benefits fade out or not following recipients to see if benefits last.

There are no easy answers to college access problems, especially since many government programs appear ineffectual. What seems to work to some extent, school choice, likely does so by decreasing top-down control and empowering low-income and minority students to seek out what they need.

This also suggests that we need civil society: church groups, Kiwanis Clubs, et cetera, to do such things, to reach out to low-income parents and

provide services such as conversation, intensive daycare, or college counseling.

The message needs to be loud and clear that success is possible for all. Thank you.

CHAIR CASTRO: Thank you, Mr. McCluskey.

Mr. Haskins?

MR. HASKINS: Good afternoon, Mr. Chairman and members of the Committee. Thank you so much for inviting me. It's a great pleasure to be here, and it's an honor as well.

I'd like to open with a few comments about the test disadvantage in American society, and I want to show why education plays such a crucial role in ameliorating this disadvantage, and I am going to focus on three specific solutions.

So first, we start with test performance. Neal has already gone over that to some extent, but it's surely extraordinary, these differences in test performance and word knowledge and so forth begins even before the third year of life, but they are clearly evident by age three, and if anything, the schools increase the gaps during school years, during the K-12 school year, so the schools are not helping to close that gap at all.

A second thing, these -- probably, the

differences in intellectual achievement play a big role in huge differences in household income so that we have huge discrepancies in household income. The average white lives in a household that has a $58,000 income, the average Hispanic $41,000, and the average black $34,600. That's a 40 percent less income in household for black families.

We have even more impressive wealth gaps that are truly astounding. Hispanics and blacks have about 10 percent of the wealth of whites, and it has declined substantially because of the recession, almost all their wealth was in their house, and many people lost their house.

And finally, I want to draw your attention to something I think is especially important for this Commission, and that is the ability of parents to pass their advantages on to their children.

So consider the middle of the distribution of parent income, that middle 20 percent, roughly $50,000 to $80,000.

If -- for black parents, their kids almost -- only 45 percent of them finish in the middle or higher, whereas 70 percent of white kids finish in the middle or higher.

You can see the same thing throughout the

distribution. There are -- it's a huge problem for parents to pass their advantage -- minority parents to pass their advantages on to their children.

So let's focus for a minute on the role of education in fighting this disadvantage, and I want to begin with the first chart, and it's kind of a complex chart, and it's worthy of study, I assure you.

But look at the two left bar graphs. These show what happens to people whose parents were in the bottom quintile, below roughly $30,000, think of it that way.

The ones on the leftmost bar graph are kids that did not go to college, and right bar graph of the two on the left are kids that did go to college.

As you can see, from the same bottom of the distribution, the kids that achieve a college degree, it changes their whole life course. So look at the bottom. At the very bottom, 46 percent of the kids from the bottom, if they don't go to college, will remain in the bottom. Equality this is not. Equality of opportunity, this is not.

Whereas, if they don't go to college, they have only a 10 percent chance. If they go to college, they have only a 10 percent chance of being in the bottom.

I have been studying -- I have been looking at studies all my adult life. There are very few impacts of that magnitude. That is a huge impact.

So there is no question a four-year college would make a big difference.

Now, there is some good news on education. Neal has already mentioned that the National Assessment of Educational Progress showed some closing of the gap between whites and blacks and even to some extent, less, between whites and Hispanics, and, as you can see in the next chart, there is a huge change in the growth in minority enrollment in degree-granting post-secondary institutions, starting in 1976 and almost continuous progress for all minority groups and for the minority groups combined, so that is good news.

But there is bad news too. Next chart.

This chart shows, from the very top, which is the bottom 20 percent, all the way up to the top 20 percent, and here we see two things. First, we see that stair-step fashion that parents are able to pass their advantage on to their children, so kids who are from wealthier families in the top, they're more likely to enroll, they're more likely to graduate.

But look at the -- look at the rates, the bottom chart, it shows the ones that actually graduate.

Here, you can see that the graduation rates, as I mentioned, are a huge problem. So kids enroll, but they don't graduate, and that is a very, very big problem that the Commission should focus on. Many of those kids wind up with debt, and they don't get the degree that allows them to earn more money to repay their debt, so this is a really big problem that I think you should look at carefully.

So there is some good news, but it's mitigated some.

Now, the next chart I want to show you, this is really intriguing. I think it's something you should pay attention to, and that -- what this shows is the college enrollment by parents' income quartile for kids who finish in various places in their own achievement, and here you can see that both the parents' income and the kids' achievement test score makes a difference, and it's progressive across the -- across the income groups, so the top group, even the kids in the bottom third by test scores do better than kids in the -- the next quartile down and so forth.

So both parents' income and achievement, and here is another thing I'd like to draw your attention to: look at all the space, especially in the middle and the top third, between 100 percent and the

level where they are. Those are kids that that's the -- that's the right route to try to get those kids more likely to go to college. They appear to be prepared, and preparation is a big deal.

So next chart.

Student aid I think I agree with Neal, apparently, that student aid is not the key here. I think student -- we have a lot of student aid. It has increased very dramatically over the last decade and climbed a little bit recently. But I don't think student aid is the huge problem.

There are four huge barriers: academic preparation, which I think is the single most important barrier; second, selecting a college and the application process and the ridiculous FAFSA that I am sure you have heard about, that needs to be changed; and financing plays a minor part of the problem, but it's so important; and then those huge dropout rates, we need to -- we need to address.

So let me make three points about things that I hope you will look into.

The first one is the college prep programs that Neal mentioned. There are a bunch of them. Together, they spend about a billion dollars.

I don't think they are very successful.

They have had good evaluations, and they don't look good except for one, which is math/science, upward bound math/science, so I would look at that program, figure out what to do better, and I make a series of recommendations about how we could use that billion dollars better.

Second, I have already mentioned the FAFSA. It is ridiculous that we have such a complex form for all college age. Every kid has to fill it out, and it is very difficult for them, and their parents have a lot of trouble helping them fill it out because many of them have not been to college, so that thing needs to be simplified. The administration promised to do it, so did the Bush administration, neither one did it.

And finally, last recommendation, I would recommend major reforms in the way states finance colleges. They should make some of the money that they give to colleges contingent on the college's graduation rate, especially for low-income kids. If we did that, I guarantee you that colleges pay a lot more attention to this problem if half their money or more were dependent on success and helping low-income kids.

Thank you.

CHAIR CASTRO: Thank you, Mr. Haskins.

Ms. Siqueiros?

MS. SIQUEIROS: Good afternoon Commissioners, thanks for having me. My name is Michele Siqueiros.

I serve as President of the Campaign for College Opportunity. I also previously served as a Commissioner on the California Student Aid Commission, which awards over $1.7 billion, $1.8 billion in Cal Grant aid to Californians who need it in order to go to college.

You have my written testimony. It is fairly long, so I am going to try and just highlight a few key points.

I was asked to speak about some of the research that we have conducted on differences by race in California, so I am going to do that, and I actually have a couple of handouts from our just-released reports on the state of higher education in California for Latinos and for blacks in our state that I hope you will have a chance to reference and review.

You know, first of all, I certainly wouldn't be before you today if it weren't for the fact that there had been federal investment and state investment in my college opportunity. I am the first in my family to go to college. I was only able to do

so because I got a federally subsidized loan. I received a Cal Grant. I got work study. All of those things made my opportunity to go to college and earn a degree possible.

And that is exactly why I work for the Campaign for College Opportunity. We were founded by an unlikely alliance of business leaders, civil rights leaders, and education leaders that believed strongly that we needed an outside, independent voice to advocate for higher education in our state, but also for some of the type of reforms that Ron has pointed out in terms of ensuring that we actually not just enroll students in college, but that we get them to graduation.

We have played a critical role in advancing policy and using our research to help advance that policy, focused really on the economy of California, but also what is good for students. Sometimes, that means that we are on the same side of institutions that serve our students. Sometimes, it means that we're pressuring them to do a much better job than they are at serving our students.

Your review of this topic is really essential. You know, I would argue that this certainly is a civil rights issue of today. Whether or not

students have an opportunity to go to college is critical. For low-income students, it is actually harder to go to college today than ever before. Only 30 percent of students from low income backgrounds enroll in college, compared to 80 percent of their higher-income counterparts.

It is more likely for a D or a C high-income student to go to college and graduate than it is for an A+ honors student that doesn't have high income, and that should be shameful in America today.

You know, if we're going to retain our position and try to recapture our position as a leader in producing four-year degrees, we are certainly going to have to address issues of race in our country as we become more and more diverse.

Currently, Latinos represent 17 percent of America's population, blacks are 13 percent, Asians are 5 percent, non-Hispanic whites are 63 percent, but by 2044, the nation will be even more diverse than today. Demographic projections show that non-Hispanic whites will no longer be the nation's largest ethnic group, so making sure that college opportunity and attainment is equal across our racial and diverse communities is going to be essential.

Obviously, California is in many ways

ahead of the curve in terms of that diversity. We are already a minority/majority state. One in two kids that are under 18 are Latino, and we are also to be commended, I think, for our world-renowned university system, the University of California, our 23-campus state university system, I know you heard from Chancellor White earlier today, and our expansive community college system, with 112 colleges and a pretty generous financial aid program targeted at students based on need, not merit, which unfortunately too many states, I believe, in the nation focus on.

You know, our own research as part of this series of papers that were just handed to you on the state of higher education in California actually demonstrates to you, I think, why race analysis still matters. Latinos in our research, we found are more, you know, the good news is more and more are graduating from high school and going to college, as Ron mentioned before, but unfortunately, they are disproportionately represented at every sector of higher education.

So in spite of our expansive California higher education system, Latinos are not represented in -- in relation to their numbers in the population at any of those institutions, whether it's community colleges, Cal State, for-profit colleges, independent

colleges, or the University of California, and you can see in the chart before you just what those statistics look like.

However, when -- when Latino students do go to college, the majority enroll at a California community college, 65 percent.

For blacks, I won't go into other -- other findings, you know, for blacks in higher education, I just wanted to point out a few things.

Obviously, we have seen improvements over time: improved high school graduation rate, more students are likely to graduate from high school today in California than they were in 1990. However, there is still a huge gap in terms of graduation rates when compared to other ethnic groups.

You also see that black students in our state are slightly over-represented at California community colleges, similar to Latinos, if they go to college, they enroll at a community college. They are over-represented at for-profit colleges, significantly under-represented at the University of California and the Cal State system, and in fact, we found in this research report that there has been a decline in black enrollment at the Cal State system since the recession.

Some of the concerns obviously are about college preparation. Only a third of California students come out of our high schools with having completed the A-G course requirements, which you need in order to even apply to a University of California or a Cal State system, so right off the bat, 70 percent of Latino and black students in our state can't even enroll or apply at a university.

So their option is community college, which highlights why the, you know, improving outcomes for students at community colleges is so important. Some of the findings that you have before you show that completion rates are really dismal, unfortunately far too low, and this is where most students are going, so much more needs to be done.

If federal funding has a stated goal of helping colleges, you know, support diverse student populations, you know, my belief is that funding needs to be allocated in a way that better supports our nation's four-year public university system and holds them accountable for improving outcomes as well.

I know that my time is up, so I just wanted to highlight a few of the recommendations. You know, we do believe that we have to support enrollment for students, but completion is key. We should

incentivize, we should measure performance by our universities for Pell and low-income students, not just enrolling.

We give lots of federal funding for Hispanic Serving Institutions and historically black colleges and universities. We should make sure that that's sufficient funding, but also make sure that we hold those colleges accountable for their graduation rates.

I agree with our fellow testifiers around simplifying FAFSA. Thankfully, somebody walked me through that process when I applied. Otherwise, I certainly wouldn't be before you today.

We should expand income-contingent loans to make sure college is affordable for students.

And with that, I'll -- I'll stop.

CHAIR CASTRO: Thank you. Ms. Neal?

MS. NEAL: Thank you Mr. Chairman and members of the Commission.

I must tell you that your topic and the unique opportunity it gives --

CHAIR CASTRO: Is your mic on? I am sorry.

MS. NEAL: and -- do I need to turn something?

CHAIR CASTRO: Oh yeah, there you go.

MS. NEAL: Sorry. Let me start again.

Thank you, Mr. Chairman and members of the Commission. I must tell you that your topic and the unique opportunity it gives to examine the civil rights impact of accreditors as gatekeepers for Title IV funds is inspired and long overdue, so thank you.

Put simply, students need clear information about quality and financial stability to have the best chance for success, most especially, those with limited financial means and limited familiarity with higher education, yet the accreditation system fails those students, and I will pose an alternative.

Let's start with a little background. In passing the Higher Education Act nearly 50 years ago, Congress linked accreditation and federal student aid to prevent students from squandering taxpayers' money as well as their own on diploma mills.

It took accreditors who had traditionally provided voluntary peer review of academic programs and made them gatekeepers of Title IV.

Accreditation, in other words, ceased to be a voluntary choice and became a costly mandate since virtually every school in the country depends on Title

IV to survive.

The HEA provided that accreditors would be guarantors of educational quality, so it is no wonder that parents and the public, and to be blunt, many members of Congress, mistakenly believe accreditation is a good housekeeping seal of approval.

Today, nearly 7,000 colleges, universities, and professional schools in the United States are accredited so that they can receive Title IV funds. In the 2012-2013 school year, Title IV amounted to $170 billion.

The OECD data show, incidentally, that the United States spends more money per pupil in higher education than any other nation.

Yet accreditation is not a reliable indicator of quality, and the so-called good housekeeping seal deceives students and consumers.

As Professor Milton Greenberg has written, it is essentially a confidential process which hides an institution's advantages and disadvantages. Let me explain.

Harvard is accredited, Yale is accredited. So are Amridge University, Hodges University, Our Lady of Holy Cross College, The University of Texas at Brownsville, and Armstrong Atlantic.

If I am a student at Harvard, I am nearly 100 percent likely to graduate in four years, but if I go to Amridge University in Alabama or Hodges University in Florida, based on the data from the 2007 cohort, I have zero chance of graduating in four years, assuming I am a first-time full-time student.

If I go to Our Lady of Holy Cross College, I have a five percent chance of graduating in four years. Among African American students, or a quarter of the student body, only seven percent of first-time full-time students graduate within six years.

At the University of Texas at Brownsville, where 90 percent of students are Hispanic, only 9 percent of first-time full-time students graduate within four years, and admittedly, there are problems with the graduation rates, they are not perfect, but it gives us a snapshot of what is happening.

Schools with sad stories of performance are accredited and receive Title IV funds, but students have no way of knowing what they are getting into as they take out loans to pursue their dreams.

Student debt now exceeds $1 trillion, and those most likely to be in debt, heavy debt, are minority students.

Bottom line, all students are hurt by

accreditation, which too often protects institutions that do not provide transparent information and do not deliver good outcomes, but the negative impact is greatest on those students who typically have the most limited financial means and are least familiar with how higher education works. It isn't just that they don't graduate, it is that they often leave with lots of student debt and few employment prospects.

This is morally indefensible, and the blame should be placed on colleges and their accreditors.

But that is not the end of the story. Students are also hurt because accreditation standards often lead to higher costs with very limited benefits. Over the years, accrediting associations have been quite happy to exhort colleges and universities to advance inputs and spend more money. Financial burdens are imposed, often with no obvious return.

For example, Campbell University in North Carolina, with a 23 percent minority population, was placed on probation some years ago because its standard faculty teaching load was 15 hours per week. The accreditor insisted that 12 hours was the maximum acceptable load, so the school solved the problem by consolidating class sections. Instead of the

relatively small classes students had come to expect, students now found themselves in classes of 60 or more.

What accreditors do not value is also instructive. Accreditors do not assess whether a school has put in place a rigorous core curriculum: a prescribed, limited, and typically far less costly set of course requirements that help point the way toward completion.

ACTA reviews the core curricula at nearly 1,100 institutions across the country. Notably, HBCUs do particularly well in our survey: Morehouse College and Clark Atlanta are 2 of only 23 schools to receive ACTA's A rating for their general education programs ensuring exposure to foundational subjects.

But do they get any special shout-out from the accreditors? No. In fact, schools that had diffuse and do-it-yourself curricula are more likely to be praised.

Now, what does a school do if it is being abused by an accreditor? Many HBCUs over the years have criticized the interference of accreditors. They have raised concerns about their standards, which invariably raise costs without clear intended benefits.

These questions are legitimate, but the

fact is, institutions in these situations have no place to go. A regional monopoly of accreditors gives virtually no choice to institutions if they are being disserved.

Just one example, recently, of how accreditation also interferes with innovation. In Ohio, there is a school called Tiffin. Some years ago, faced with the challenges of the higher ed marketplace, they made available online programs for those who could not pay big tuitions, and they were able to show proven student learning gains.

The accreditor, the Higher Learning Commission, however, decided to second guess for-profit partnerships, and Tiffin was forced to put an end to this online innovation. Many students, at least 47 percent minority, with 90 percent eligible for Pell Grants, were left without an affordable educational option.

We need to put an end to the existing opaque system and create a far better, more transparent, and far less costly way, and I am happy to report that this is being done at the state level, most particularly in Florida, where higher education leaders were frustrated by the opaque system of accreditation and instead put into place an annual accountability report

of key metrics.

Because of this, we know that the minority students and their families have been empowered more than ever before, and I would be happy to talk more about those details, but just by way of example, in 2010, the University of Florida, which was outlined in this accountability report, proved to be one of four flagship institutions given the highest marks on measures of equity serving low-income and minority students by Education Trust.

The bottom line, more money is not the answer, great accountability -- greater accountability is.

It's time we eliminated the deeply flawed accreditation system and replaced it with a transparent system of accountability that rewards schools that do right by their students.

Thank you so much.

CHAIR CASTRO: Thank you.

Commissioner Achtenberg, would you like to open up the questions?

COMMISSIONER ACHTENBERG: Thank you, Mr. Chairman.

Mr. Haskins is from the Brookings Institution, Mr. Chairman.

CHAIR CASTRO: Oh, I am sorry.

COMMISSIONER ACHTENBERG: It's okay, common mistake.

The achievement of the baccalaureate degree, the key to social and economic mobility. Your -- your figures indicate that that is indeed the case. Do you have any -- how can you explain why that is?

MR. HASKINS: I think it's both because they actually learn something in college, they make contacts with people that help them later, helpful to have a college -- a four-year degree when you apply for a job, so there are all those effects.

But there are also something that researchers call selection effects, and that means that a kid who goes to college, and you saw the data on how many drop out, the ones that finish, it isn't only because they learn more. It's -- there is a whole complex set of features that they have that they stick to it, that they work hard and when things get tough, they stick it out, and so forth, so there are -- those are selection effects. They are not directly measurable, or they're certainly not measured, but they do contribute.

And so college, in that sense, is kind of a sorting device.

I would point out to you that I think we can see the same thing and increasingly are saying the same thing with two-year colleges and degrees and apprenticeships and so forth. Four-year colleges are not the complete answer, that is for sure.

COMMISSIONER ACHTENBERG: No, they're not the complete answer, but we do need to increase in sheer numbers the number of successful graduates of four-year institutions, do we not?

MR. HASKINS: Yes, absolutely. We certainly do.

And not only that, we need to track them and to figure out what happens. That has been a problem for a long time, and we -- we don't have great information about what happens to students when they leave.

And so a number of institutions are creating the ability to follow students longitudinally to figure out if they get a job, what their wages are, and so forth. That is the kind of thing that you would have to do if you implemented the kind of suggestion I made about making some of the state aid to colleges contingent on their performance. We need to know what their performance is.

COMMISSIONER ACHTENBERG: Yeah, you --

you said as much as half of the aid --

MR. HASKINS: I --

COMMISSIONER ACHTENBERG: -- contingent on performance?

MR. HASKINS: I don't --

COMMISSIONER ACHTENBERG: Good, I am glad to know that --

MR. HASKINS: -- yeah, there is no scientific formula, it's just I think a substantial amount of aid.

I mean, how would you feel if the whole -- all of our spending at the federal level or the state level were based on no information about the results?

COMMISSIONER ACHTENBERG: No, I --

MR. HASKINS: And that is what we have been doing, so it does not make sense.

COMMISSIONER ACHTENBERG: Understood, I just wanted to know where the 50 percent came from.

MR. HASKINS: No, I made it up.

COMMISSIONER ACHTENBERG: It's somebody from the Brookings Institution says 50 percent, it gives one -- I thought, well, I guess --

CHAIR CASTRO: Hopefully it's not made up, yeah.

COMMISSIONER ACHTENBERG: -- 50 percent,

I'd hate for the Governor of California to get that information and think that he could change overnight from a system based on enrollment to a system -- a funding system based on -- at least overnight, I am not saying there should not be --

MR. HASKINS: Okay, but here is my point. It's not 50 percent, but here is the point.

Organizations that are being held accountable --

COMMISSIONER ACHTENBERG: Yes.

MR. HASKINS: -- don't like it, and so if they realize it's too late, they can't get out of it anymore, they've got to do something, they want 5 percent of the money, or 10 percent. It ought to be substantial.

We can start with 5 or 10, but we've got to build and make it more --

COMMISSIONER ACHTENBERG: Understood --

MR. HASKINS: -- accountable than --

COMMISSIONER ACHTENBERG: -- understood.

MR. HASKINS: -- it is now.

COMMISSIONER ACHTENBERG: And I don't think --

MR. HASKINS: That's why I used a figure like --

COMMISSIONER ACHTENBERG: I don't disagree with --

MR. HASKINS: -- that.

COMMISSIONER ACHTENBERG: -- you.

MR. HASKINS: Okay.

COMMISSIONER ACHTENBERG: I don't disagree with you.

MR. HASKINS: All right.

COMMISSIONER ACHTENBERG: Ms. Siqueiros, I know you are deeply familiar with the practices that work and the practices that don't work when it comes to -- you both are able to assess the performance gaps, and you have done a lot of work in terms of assessing what helps and what doesn't help.

Could you talk -- part of what we are struggling with here is is this an issue that can be addressed successfully? I think the answer to that is yes, but I would like to know what you think the answer is, and if you could delineate some practices that you have found through your research that are helpful in addressing these various forms of achievement gap.

MS. SIQUEIROS: Well, the first thing I would say is that that data matters, so Ron mentioned that we -- we do quite a bit of investing, and we don't know what the end result is, we don't analyze data in

a comprehensive way.

So I think what works are institutions that use data in very proactive ways to change results. You've heard earlier from Cal State Fullerton, and they're actually one of the colleges that we profiled because they have a really aggressive agenda around closing the gaps.

If you're not analyzing what's happening at your institution by race, then how are you ever going to figure out solutions for addressing them?

And so I -- I think they are a perfect example of innovation in that process.

We also profiled as we released the State of Higher Ed for Black Students in California the Minority Male Community College Collaborative, which is an effort launched by two professors at San Diego State University that focuses on actual -- using research on what works for African American students and helping to evaluate and assess community colleges to implement practices that can help support completion for institutions.

And they point out that a lot of the research is done in terms of what works for students at four-year universities, so I think you need really good data, you need leadership at institutions that

care about closing the gaps and are not afraid to talk about how they are going to close the gaps for students by race, and you absolutely need incentives that force them to do that, so you -- we know statewide that Cal State has the California Graduation Initiative that is about closing the gaps. I don't see how you change these results without doing that.

And there is obviously the K-12 role, you know, we have to make sure that more high schools are better preparing students, you know. Race matters because most of our Latino and black students in California attend low-performing schools.

It is not just a cultural, you know, phenomenon that Latino and black students don't go to college and graduate at higher levels. They go to the least, you know, best-performing schools where they have the least prepared teachers. You know, there are institutional factors that have to be addressed, and those can only be addressed through policy and funding.

CHAIR CASTRO: Commissioner Heriot?

COMMISSIONER HERIOT: Thank you, Mr. Chairman.

CHAIR CASTRO: You're welcome.

COMMISSIONER HERIOT: I don't know if we under-invest in higher education in the absolute sense.

I mean, maybe we do, maybe we don't.

But I am really worried that we over-invest in higher education relative, you know, to other kinds of investment in human capital: vocational education of various sorts.

You know, not everybody wants to go to college. Many people prefer other kinds of -- of vocations, other kinds of learning. Not every subject is best taught in a classroom situation.

I am wondering if any of you have any comment on these other kinds of vocational education, other kinds of investment in human capital. Are we under-investing there?

MR. McCLUSKEY: I think that's really an excellent point, and I do think it's important that this can't just be about higher education. There is a whole lot that happens before that, and I think the K-12 part is important.

And if you look at a lot of other countries, they do have much more robust sort of vocational tracks than we do, so if you don't want to go to a school where you have to take, you know, a liberal arts core and then maybe you can get your engineering degree or something like that and you want to do something we consider vocational -- and that term, unfortunately, has

negative connotations -- but you can do that.

There is a danger, of course, with that, you know. If you think about Germany, for a long time, it was you took a test and you were tracked into that. We definitely don't want a system where your future is determined for you by a test.

We do want one where if you have an interest or ability to do something that takes you away from a traditional college, you should be able to do that, and we see a lot of that, you know, within school choice.

There are charter schools now, for instance, where you can learn everything right down to sort of underwater welding, which I don't have any experience with underwater welding, but I understand that it is pretty lucrative. You can get lots of very valuable skills, skills that can't be easily outsourced, through these other alternatives.

And there is something else important, I think, in your -- in your question, which is that we have a lot of money going into higher education that by all indications isn't translating into more learning. There's credential inflation, there's the arms race in amenities and buildings and things like that, so I think it is hard to make the argument that we need more money. Maybe we need it better targeted.

I think more important is we need to allow people to choose what they think is best for them, even before college.

MR. HASKINS: I agree with all that. We should place much more emphasis than we do now on non-four-year, not just two-year colleges, but all kinds of degree-granting programs.

This area brings up another very interesting topic, which is online work. There's a lot to be done online now and a lot now being done. People have qualified for various certificates based on online. This has a real impact on their debt that they carry away, and also the programs where you work and get practical experience at the same time, many of these programs start in high school.

Georgia and Wisconsin both have ideal programs that start kids in high school getting experience in work, and we have about something like 5,000 career academies across the country that do the same thing, and there is very good, high quality research that shows that those kids, the boys that were in those programs, 8 years later, they're followed 8 years, they made $2,000 more, and they're more than 20 percent more likely to live with their children and be married.

So these programs -- and oh, by the way, on the point of does it shut them out of four-year schools, the kids who were in the career academies had the same probability of going on to a four-year institution as kids who did not -- similar kids who did not participate in the program, so it doesn't necessarily shut them out, it doesn't close the door.

So these programs, yes, they need to be looked into, they should be a part of what the Commission focuses on, I believe.

COMMISSIONER HERIOT: Yeah, my fear is that, you know, I agree, we don't want to follow the German tracking system, that is not an American thing, but there are a lot of people out there who really are bored to death in the classroom and would much prefer jobs that -- that are -- are, you know, what we call sometimes disparagingly vocational education, but I can't see why that, you know, that bias should -- should be something we should cater to.

CHAIR CASTRO: I have a few questions here.

Ms. Siqueiros, you mentioned that, you know, race matters a lot in this context still and that there is an over-representation, I believe, of -- I think it might have been Latino students, or maybe it

was minority students, in for-profit schools. Could you clarify that for me?

MS. SIQUEIROS: Yeah, so -- so for black students in California, if you look at the chart in front of you, we analyze sort of the young adult sort of population, 18-25 year olds, and we see that they are over-represented in for-profit colleges for that age group and then under-represented at the four-year universities, slightly over-represented at community colleges.

We find that that is significant for black students in particular in our state attending for-profit colleges. We know that there's a regional issue, for example, in the Inland Empire where we have a growing population, and there's only a couple public universities, but if you drive down the 10 freeway heading east, you will see for-profit colleges up and down.

We know that some of the things for-profit colleges do in terms of pretty intense marketing and outreach and handholding are things that students who are first generation going to college need. I think in some ways they are looking for kind of a direct way to get trained into a particular job. They're given a particular guidepost for that.

And so those are some of the practices that community colleges, for example, don't have the resources to -- to necessarily do, but those are the things that work for students who don't have anybody else guiding them to a four-year university.

And we also see high numbers of Latino students at for-profit colleges too, so it is a common thing.

CHAIR CASTRO: And yesterday, during our panels, it was brought up that many of these for-profit schools end up with large amounts of students that end up not completing and end up with substantial debt, and that in fact, some of these schools actually target those students for the purpose of obtaining some of that financial aid, and some of them who may complete the work find that their -- their education is not what they thought it was, or they couldn't -- they can't transfer it over because the credentials aren't transferrable. Do you know anything about that?

MS. SIQUEIROS: Yeah, I mean, I think this is -- this is what is really disturbing.

You know, you have essentially for-profit colleges and universities, some of which are actually good performers, so I don't want to sort of make a blanket statement, but some of which really do target

enrollment because they are completely publicly funded, so the idea that they are private institutions is really concerning when they rely on -- on students that are low-income that will qualify for Pell, that will qualify for Cal Grants, that qualify for these federal subsidized loans or private loans.

And so if -- if -- I think there should be a federal expectation, if these institutions are receiving federal money, that they have some skin in the game, and if they are being funded entirely through federal and -- and state dollars, they don't have any skin in the game in terms of producing better outcomes for some students. We find that disturbing.

As a member of the California Student Aid Commission, we instituted, you know, the legislature and the governor passed new rules around limiting Cal Grants to institutions that had a high cohort, you know, loan default rate for their students, meant that a lot of their students had graduated or not, but were not able to pay their loans and had a very high -- or very low six-year graduation rate.

So there are mechanisms by which we can put minimum requirements. This was done in California in response to the recession and the fact that, you know, there are limited dollars and so you have to pick and

choose how you disburse them, but in actuality, it is good practice, and it's why Corinthian in particular has -- has been so affected, because many of those colleges in our state were kicked out of receiving Cal Grants.

Again, if they're -- if they're receiving public dollars, and that is their only mechanism by which they survive, we should be a little bit concerned.

CHAIR CASTRO: Yes, Ms. Neal.

MS. NEAL: I just want to add to that, I certainly would agree that -- that all for-profits are not superb, but I think it would be unfair to single them out for single-digit graduation rates.

As I indicated in my testimony, we are looking at many, many non-profits with single digit graduation rates, and so the issue is one across the board, and I think it would be wrong to -- to single out one sector for that problem.

CHAIR CASTRO: Thank you.

MR. McCLUSKEY: Could I just add --

CHAIR CASTRO: Sure.

MR. McCLUSKEY: -- one quick thing on that?

If you look at these different sectors, there does seem to be a correlation between their

outcomes and who they are serving, and a lot of this appears to have a lot to do with the preparation of people who attend those schools before they ever get to college.

So there are plenty of atrocious for-profit schools, but like Anne said, if you look at community colleges, they have terrible outcomes, and there seems to be a connection between the preparation of the students who go there.

That's why this is also a K-12 problem to a very large extent, is where often through aid giving people money to go to college who may not really be prepared for it. You see this in huge remediation rates. People who are remediated are much less likely to finish.

So that is something that absolutely has to be focused on whenever we talk about higher ed, is what is going on at -- really from birth to high school graduation.

CHAIR CASTRO: Well to be sure, there's no perfect players in this entire system, but my recollection from yesterday's testimony was that in terms of students who have defaults on their loans, I think it is well over-represented, students coming from the for-profit universities, they go something like 47

percent of all the defaults if my memory serves correctly, so clearly there is something happening there as it relates to these funding issues that merits a little closer attention, but of course, not everyone should be painted with the same brush.

Ms. Siqueiros?

MS. SIQUEIROS: Well just in response, I don't disagree that preparation and K-12 matters, but colleges should be serving the students they have, not the ones they wish they had.

And so I think it gets to the question of if you have students that are coming in less prepared, what are you doing as an institution to better provide service to them? And we know that there are institutions and community colleges that are addressing remediation in a way that is very effective.

So -- so I just would push back a little bit that it -- it can't just be blame K-12. There is a responsibility for institutions as they serve students.

CHAIR CASTRO: Mr. Hoskins -- Haskins, I am sorry, of Brookings Institution, I had a question about one of the charts that you showed us. I think it was chart number 3 --

MR. HASKINS: Yes.

CHAIR CASTRO: -- which shows that Latino -- the Latino college attendance now exceeds the African American college attendance, and earlier today we had testimony from Professor Flores, who indicated that some of this may be just pure demographics, that is, the growing population of Latinos means that naturally there are going to be more that are represented in the pipeline to college, not necessarily that we have come up with a magic program that has somehow put more Latinos on the path to college.

Is that -- is -- do you have any opinion on that and how that may be represented in your chart?

MR. HASKINS: It could be true. I am not positive. But my charts are percentages, so I don't think it should be. It isn't just the numbers, it's the percentages --

CHAIR CASTRO: Okay.

MR. HASKINS: -- that's been coming up, the percent of enrollment, so that does indicate that all other things equal, Hispanics are in fact more likely -- their rate of increase in being in college is greater than for blacks.

CHAIR CASTRO: And do you know of any -- your opinion as to why that might be?

MR. HASKINS: I have opinions about it.

There's some research about it.

CHAIR CASTRO: Okay.

MR. HASKINS: I think family background makes a big difference. I think that quality of high school makes a big difference.

I think -- one thing that has happened in the Hispanic community, apparently, I especially talked to people in Chicago about this, and they've written about it, I could give you some references, and that is that there has been a change within the family.

Many Hispanic families, at least in Chicago and other places that I have heard of, don't necessarily pressure their kids to go to school. They want them to earn money and contribute to the family. They were actually a force that kept some kids from going to school, and that appears to be changing a lot. The parents come to realize how important college is. Of course, they want what is best for their kids.

So the views of parents are changing. I think that could be another factor that is contributing to this issue as well.

CHAIR CASTRO: Oh, I can attest to that. I am from Chicago, and I think it's something that was not just in Chicago, but a lot of immigrant Latino families in particular would encourage their children

when the family needed it to step out of school and help the family, and we've I think in the Latino community made an overwhelming effort to try to educate our parents about that, but it's still a challenge, but I think, you know, there's certainly more folks talking about that issue.

MR. HASKINS: But I do think that is a factor in why the percentage of Hispanics that are going to college is increasing more rapidly than for blacks.

CHAIR CASTRO: Okay.

Madam Vice Chair, you have some questions?

VICE CHAIR TIMMONS-GOODSON: We were talking just a -- thank you, Mr. Chair.

We were talking just a moment ago about default rates and for-profit colleges and universities. My recollection is that there are certain limits or guidelines placed on our public colleges and universities where, if they reach a certain default rate, there are penalties attached to a loss of government monies.

Are our for-profit colleges and universities subject to the same default rates, the same kind of penalties? I seem to recall that they are not.

MS. SIQUEIROS: In California, the rules

do apply across the board. There is -- so in California, they do.

In -- in terms of federal policy, I am not quite sure --

VICE CHAIR TIMMONS-GOODSON: That's what I was inquiring about, federal policy.

MR. McCLUSKEY: I could be wrong, but I am pretty sure it is the same for all schools. They have been changing how they calculate the cohort default rate from when it was two years to three years, but I think it's the same regardless, as long as you're taking Title IV money.

Where there may be a difference, I would have to look, but there is a question about how you incorporate G.I. Bill money. That has not been counted in some ways toward for-profit schools. I don't think it's connected to the default rate, and if I am correct in that, then there is no difference, to my knowledge.

VICE CHAIR TIMMONS-GOODSON: Yes.

MS. NEAL: This doesn't go to the default rate, but I can say within the accreditation system, for-profits have been held to certain baseline requirements that the non-profits have not, so that at least in terms of certain basic requirements, it's a higher level of expectation of the for-profits in terms

of graduation rates and national outcomes than of non-profits, where it really has been up for the -- up for grabs as to what was acceptable and what was not.

In fact, accreditors have no baseline graduation rates, for instance, that mean yes you get money or yes you don't, though there are baselines for for-profits.

VICE CHAIR TIMMONS-GOODSON: Thank you.

CHAIR CASTRO: Commissioner Narasaki?

COMMISSIONER NARASAKI: Thank you.

So Mr. Haskins has testified that their recommendations of Brookings is to take TRIO and programs like that, to reform them and perhaps create a more general, flexible grant program to provide that kind of support, and I was wondering, Ms. Siqueiros, whether you also -- what's your response to that recommendation, I'm sorry?

MS. SIQUEIROS: So quite frankly, I haven't analyzed a lot of those programs myself.

My concern with that recommendation would be that in many instances, it is those programs that have really high graduation rates for under-represented students, and so I -- I think just more research would be needed before I could feel comfortable.

I do think that we have to get to a place where resources reach more students. Some of the challenges are that those programs only reach a small number of students, and we need to get to a place, as we have a student body that actually -- where the majority now is first generation, all of the students could benefit from those kinds of services that Puente or TRIO or MESA provide, is how do we scale that kind of intervention?

And we know that there's limits, right? Especially some of the programs are really high touch, they are, you know, you can only do with a small cohort of 50 people in order to be effective.

I think one of the things that Provost Cruz at Cal State Fullerton said is that what they do is use the data to identify the programs that are very effective at closing gaps and serving students and that can be scalable, and I think that is the direction we need to move in, because there may be some of those programs that are effective, but they're not scalable, but we do need a scale. We need more of the students to be able to access some of the benefits that these programs provide.

COMMISSIONER NARASAKI: So I just have one more question --

CHAIR CASTRO: Sure, go ahead.

COMMISSIONER N Narasaki: So --

MR. HASKINS: Could I clarify one thing please?

CHAIR CASTRO: Sure.

COMMISSIONER NARASAKI: Did I mischaracterize what you wrote?

MR. HASKINS: No, no.

COMMISSIONER NARASAKI: Okay.

MR. HASKINS: It's not a Brookings recommendation.

COMMISSIONER NARASAKI: Oh, sorry.

MR. HASKINS: It's my own recommendation based on research.

COMMISSIONER NARASAKI: Okay.

MR. HASKINS: Okay.

COMMISSIONER NARASAKI: Thank you.

So the other question I have is that I -- I got the impression from the most recent testimony from this panel, at least some people believe that we're spending enough on higher education support.

Ms. Siqueiros, you testify in your written testimony that we at least need to consider spending more on Cal Grants and making them more available throughout the year to help people who go to summer

school, and, you know, are sort of the more non-traditional students.

I am wondering what your view is about whether we're actually spending enough on financial aid, and where you would put it if we were to try to either reorganize what we're spending or try to spend more.

MS. SIQUEIROS: Yeah, that's a really -- a really tough question.

I don't believe we're spending enough. I mean, the research is -- is pretty clear that -- that the Pell Grant, while it has obviously grown in size and in terms of cost for the federal government because our population growth has increased has not kept pace with the cost of getting a college education.

The research indicates that, you know, it's harder today for low-income students to go to school full-time. When they do go to school, many of them have to work. So making summer Pell available again would obviously better support those resources.

In California, it's clear we're not spending enough on higher education. You know, there is a huge wage premium for folks today that's very different from what it was in the 60s or 70s when a lot of these programs were instituted, so before, you could

get a high school, you know, degree, and that was enough to put you into middle class life and -- and get a job that you could sustain over a career, it could afford you a house.

That is simply not the case today. We know that whether it's a vocational degree or a four-year degree, that's what makes the difference in students' abilities today to get into the middle class.

And so if we care about sort of growing our, you know, middle class, I don't see how you can do it without investing more, especially in getting more low-income students to be able to afford to go to college full-time.

I don't know what the magic number is. I think making Pell year-round is a good first step, simplifying FAFSA so that more eligible students actually apply and get the financial aid they're already entitled to is a second step. Those would be, you know, the more immediate recommendations.

COMMISSIONER NARASAKI: All right, and I -- I had one more add-on to that.

So Mr. Haskins' slides show that there is -- there is actually a decrease in work study, if I read the slide correctly, so I am wondering if that is a concern, that we are actually spending less on work

study.

A prior panel had noted that they felt that -- the Chancellor noted that he felt one of the most important things was to address the fact that we don't have the traditional old-fashioned kids, 18 years old, just out of high school, going to college, but now we have older students with families who do need to work, and so one of the biggest challenges for successful getting to a degree is can you stay in college if you're working full-time, even if you're getting your tuition taken care of?

MS. SIQUEIROS: Yeah, I think work study is really critical.

You know, the research indicates that the longer a student is on a campus, the more likely they're -- they're going to feel like they belong, the more likely they're going to succeed and get to graduation, and work study helps to do that.

I think part of it is certainly federal funding. The other part is Northeastern University is a good example of a public/private partnership where they actually have students that start working because they're going to work, so they're going to school part-time and they are working part-time, in their chosen field.

So it's not like having a job at The Gap, it's having a job, you know, as an intern in an engineering company where that company actually covers some of the cost.

So I would just say that, you know, it may absolutely be increasing federal funding, but also, how do we increase, you know, public/private partnerships that want, you know, good quality interns that they can then potentially grow in their leadership and address the fact that the students do need to work? So is it better to have them working in their field or working on campus? Yes.

COMMISSIONER NARASAKI: Thank you.

CHAIR CASTRO: Commissioner Kirsanow?

COMMISSIONER KIRSANOW: Thank you Mr. Chairman, thanks to all the panelists, this has been very informative, as have the other panels.

A couple of questions. We've been talking a lot about funding throughout all the panels, and as I mentioned in the previous panel, I was troubled by a number of slides I saw that showed that we're spending trillions of dollars, we have spent trillions of dollars, with marginal effect.

As I mentioned before, I'm particularly troubled by over 30 -- sorry, a 23-year period, the gap

between black and white achievement has only narrowed by 2 points. There could be a lot of reasons for that, but I would hope that if you spend several hundred billion dollars trying to narrow the gap, we'd narrow it more than 2 points, and that we would have to wait actually more than 300 years for that gap to completely erase if we go by today's measurements, it would take more than 300 years.

I'm fine, because it's not my money, at least -- at least not directly, if we want to spend more money on something, but I'd hope we would do so smartly. I am -- I was struck by the fact that there are really no measurements, no transparency, no accountability standards, and yet we're going to give more money to demonstrably failed programs, because it's not doing anything. Maybe happy talk, but it doesn't seem to be closing any gaps.

If you were to suggest a policy prescription for narrowing achievement gaps, increasing college access persistence and obtainability, would it be to (a), increase funding, or increase transparency, or accountability standards? Which one of those is the most effective, of those three?

CHAIR CASTRO: Do you have all of the above

as well as a choice, Commissioner?

COMMISSIONER KIRSANOW: Well, you know, given the fact that money is something, and we're talking about money, and I know we've got all kinds of money, but it's the Chinese government's money, frankly, it's not our money. We don't have any money.

So I would like to know how do we get this stuff done the smartest way. I am interested in outcomes more than inputs at this particular point.

Yes, Ms. Neal.

MS. NEAL: Yeah, I want to certainly agree with you on that, because as I indicated earlier, we're spending two times per student the average of any other industrialized country with worse results.

I mean, we're looking at four-year graduation rates that now hover around 40 percent, and so I think rather than just looking at this as a -- a problem that needs more federal dollars thrown at it, we really need to be looking at ways of holding the institutions accountable. We have heard more skin in the game. I think that's an important issue. These institutions need to have more skin in the game, and we need to basically credit those that are succeeding and not credit those that are not, but as I have indicated, students will not know the difference

between a school that is doing well and having student learning gains and schools that aren't having learning gains, and I think this is where we need to improve the existing accreditation system, which essentially rewards schools no matter how they do.

If they're doing 90 percent graduation versus 5 percent, it doesn't matter, they still get Title IV, so this is why I think we need to move to a -- a basically -- a transparency system, which would allow institutions to show they are financially stable, would require them to show certain key metrics of performance, and last but not least, would insist that in order to get Title IV money, they would have to show student learning gains.

Because at the end of the day, it's not simply a question of giving someone a degree or giving them a piece of paper, it's actually showing that students have gained value with the money that they have spent, and study after study, whether we look at Academically Adrift by Arum and Roksa or -- or the National Assessment of Adult Literacy, we are showing that vast percentages of college graduates are emerging after spending lots of money, many of them in debt, without the skills that are needed to be effective in the workplace.

So the system is -- is skewed in favor of access and not in favor of student success once they are there.

CHAIR CASTRO: Mr. Haskins.

MR. HASKINS: I agree with everything she said, and she didn't exactly say this, but accountability I think is key.

We're going to have problems with money. I mean, we haven't talked about it here, but I do a lot of work on federal debt and deficit, and the day has come when we've already started cutting spending on children's programs in the last two years, which we had not done for the previous 30 years, so there is a real issue of how much money the federal government is going to be able to spend.

And the states are, if anything, even more financially strapped.

So what we have to learn to do is to do better with what we have now, and accountability is definitely the answer. So we need accountability in K-12 schools, we need accountability in community colleges, we need accountability at the university.

And two of the three recommendations I made you were basically accountability recommendations. I -- I think it's very important that we spend about a

billion dollars now, for example, on these college prep programs that are supposed to be focused on low-income kids, and there are very good research studies that show they produce modest or no impacts, with some exceptions.

So why wouldn't we make it more demanding, force them to evaluate, that's a condition of their getting the money, they have to do good studies to show that they're producing impacts, and if they're not, give the money to somebody else? That should be a principle of federal funding.

COMMISSIONER KIRSANOW: What should -- what should be the metrics in that evaluation, in that accountability? Would it be not just a diploma, but say five-year income rates or something, looking at a longitudinal study of what does that person do with that particular diploma?

MR. HASKINS: Right, I think a high school graduation would be the least desirable, but nonetheless a good measure. College entry is a good measure. College completion is a much better measure. And did they get a job when they graduated, and what is their wage would be the best of all.

MR. McCLUSKEY: I'm going to first of all say that funding is absolutely not the answer. More

funding is not the answer. We spend more on education, all levels, than almost any other country: there's Luxembourg, one or two others.

In higher ed, we spend more than any other country. What we've seen this funding translate into is largely a lot of waste. I mean, if you look at -- I know it's cherry picking to say look at the water parks that are springing up in colleges and universities, many of these public colleges and universities.

There's a reason for that. What we've seen is evidence, research evidence, which shows that what most people do when they are choosing between colleges now is they don't choose based on academics, they choose based on amenities.

A lot of this is because we're using third-party funding to pay for it. Partially it's grants. I think it's much bigger a problem of loans, and that loans you get very easily in any amount from the federal government, and so -- and the same at the K-12 level, is we spend a lot of money, and we haven't seen any real correlation in improving outcomes as a result of it.

I am -- I always worry about accountability because accountability sounds good, but you -- we need to look at something like what we've seen with No Child

Left Behind, which was supposed to be about accountability.

What we found, though, is that people who would be held accountable are pretty good at finding the ways out of being held accountable, so No Child Left Behind said well you're going to have all kids proficient by 2014, and what did states do? In most cases, they had a definition of proficiency which was incredibly low.

And so we have to be realistic about how much the -- an accountability system might -- might --

COMMISSIONER KIRSANOW: You really can't fudge -- or maybe you can, you can fudge anything.

As Mr. Haskins was talking about, if you look at five years out from the period of time when somebody graduates, if he has got a job making $50,000 a year, you know that that's a metric you can look to as opposed to somebody, say another college, well, only 30 percent of their students five years out have a job of $50,000 a year or more.

MR. McCLUSKEY: But I can already tell you one problem with that.

So then you have to adjust for what the situation of those people when they went to those schools because there will be schools that deal with

kids who are -- or students who are less well-prepared.

Then we put into the law, well, okay, if you're less -- your students are less well-prepared, you don't have to earn as much. Then you start to see all sorts of loopholes and things working their way into regulations.

So that's what we have seen repeatedly when we talk about accountability.

COMMISSIONER KIRSANOW: With some transparency, some transparency, would that assist in terms of if you provide students, parents, with all the information you possibly can, a number of metrics, that would establish -- there is no perfect metric, right? And you can fudge almost anything. But if you've got a number of metrics, give them a lot of information about which institution do you want to go to?

Inject some competitiveness into the process so college A competes against college B for the same student, knows, I've got to be better than these guys.

MR. McCLUSKEY: Yeah, well, and I think that, you know, intuitively, that would work.

The problem is we actually see lots of data is already available for colleges. Nobody likes the U.S. News & World Report evaluations, but they actually

do tell you stuff like graduation rates and cost-per-student and things like that, but federal government has had the College Navigator now for several years, and what we've seen is that people tend to not use a lot of the information we make available.

I think part of that problem is we want to do good with aid, but part of what aid does is say make this decision, we will pay for your decision, and it's not necessarily your money or money you have right now that is part of that.

I actually think part of the solution is counter-intuitive, but actually people selecting schools need to have more of their own money involved rather than third-party funding because that incentivizes making more disciplined decisions, and that -- that's actual accountability, and especially when people, you know, are using their own money, and then they hold a school accountable when that school is not giving them what they want.

CHAIR CASTRO: Okay, I am going to move on, Commissioner Kirsanow, I've got three other Commissioners who want to ask questions, and we're getting close to the end.

So Commissioner Kladney followed by Commissioner Achtenberg and then the Vice Chair.

COMMISSIONER KLADNEY: Thank you, Mr. Chairman.

CHAIR CASTRO: You're welcome.

COMMISSIONER KLADNEY: I think it seems from all the testimony we've heard that everyone has a different dog in the fight here, although focused toward the same solution.

And it seems to me that all these different schools, colleges, community colleges, we've even talked a little bit about K-12, all have issues, but do they have the same issues, or are they all different issues, for accomplishing a goal of getting more students, minority students, through higher education?

I'd like to hear some priorities, some programs that you propose, and whether you believe that to be a correct statement, that different schools face different problems, and how are we going to evaluate them, like Commissioner Kirsanow spoke about?

And -- and -- excuse me. How -- I mean, it seems like a very sprawling problem here, very unwieldy situation from all the testimony, so I was wondering if you could give some commentary, you know, focused on -- on the solutions besides just accountability. I mean, how do you go about that?

CHAIR CASTRO: Ms. Neal?

MS. NEAL: Going back again to my suggestion that we allow Title IV money to flow to schools that are showing that they are having success with students by showing student learning gains.

Why is this a good solution? Because, I mean, it's not a one-size-fits-all sort of exam. In other words, these national norm tests such as CAP or Proficiency Profile take the students where they are and determine whether or not they are at or above predicted learning gains for those cohorts, so it is a wonderful way for a school to be able to establish that it is doing a very good job with certain parts -- certain demographics in the population.

So I think we do need to go to a system that is going to reward and showcase institutions that are transparent in terms of their financial stability, what they're able to do, and the fact that they are actually providing value to students, because if the students are leaving with student learning gains, that presumably is going to be a helpful predictor that they will succeed once they get out of -- out of the institution.

CHAIR CASTRO: Anyone else?

COMMISSIONER KLADNEY: So the schools would compete individually to show these different

gains, and then you go about it in different ways?

MS. NEAL: Well, what I am proposing is that we move away from the accreditation system, which is very opaque, and basically which has money flowing to every institution regardless of its performance, because as I indicated, we're seeing single-digit graduation rates at schools that are still receiving Title IV funding.

What I would like to see is a system where Title IV flows directly to institutions that show that they are providing education to students and that the students are graduating at or above predicted learning gains after they have attended these institutions. This way, we are able to highlight schools that are successful at whatever price, and we're able to show those who are affected, the students who are looking to find schools that are doing well with their particular cohorts, that they will be able now to have data enough to make an informed decision, which they can't make under the current system.

CHAIR CASTRO: Anyone else on the panel?

MR. HASKINS: I just -- I would like to endorse the idea and defend the idea that we have to measure what we want to do.

Process measures are almost always in the

stake. We need to specify the outcomes that we want and then pay for those. That has to at least be part of an accountability system.

And we can measure these things. We have all kinds of good statistical techniques to adjust for where the students started. So it doesn't throw the whole system off just because some school specializes in kids who graduated in the top third of their class, and another school specializes in kids who may be around the middle or a little below the middle, we can adjust statistically for that, we can compare institutions that have those kind of rates, and that there are -- plenty would be based on starting with low-income kids.

There are lots of things we can do. Accountability has got to be part of the system, and it has to be based on outcomes, not processes.

MR. McCLUSKEY: Just I guess my job is to throw a wrench in ideas.

You still have problems, though. Think about -- you know, we talked about controlling for who -- who your student population is. When you get to college, you also run into very big problems: what is it you want to measure? Do you measure what every student knows when they leave that college? Do you measure it by the program that they are in, so you have

some set exam for all engineering students, for all English majors, for all accounting majors?

Is it supposed to be a measure like we have seen particularly used in critical thinking? What does it mean to be critical thinking?

I say these things to point out that it -- using the term "accountability" is certainly intuitively, you know, it's something we want to have, we want to have accountability, but we've seen repeatedly that actually operationalizing accountability becomes a very difficult thing because we're talking about very fine-grained decisions, ultimately, that are made by lots of individuals.

MR. HASKINS: It is a fine-grained thing. There are problems. But we're getting better all the time. If we continue doing it, we'll get better and better.

And where are we without accountability? That's the counter-question.

COMMISSIONER KLADNEY: Well, how will -- how will the colleges and universities accept your form of accountability?

MR. HASKINS: If you control the purse strings, you can make them dance to your tune. The federal government certainly has a right, and so do the

state governments, to say if you want our money, you have to meet these -- these criteria. That's not very difficult. The government does that all the time.

CHAIR CASTRO: Ms. Neal, you wanted to say something?

MS. NEAL: Well yes, I agree that we shouldn't let the perfect be the enemy of the good.

We also might take some examples from what's happening in the states, and I don't know the details to a great deal, but I believe in Wyoming and in Massachusetts they have a setup where students take a particular test, and based on how they are assessed in terms of college readiness, it will give them access to a community college, it will give them access to a four-year, so that it is actually calibrated in a more nuanced system so that if someone needs, for example, more remediation, that student then gets state aid to go into the community college, which is a much cheaper way to deliver remediation, and then ultimately can succeed there and move into the four-year.

So it is a graded system that's designed to take students where they are, not push them ahead to a four-year school for instance when they are not college-ready, but to give them access to college post-secondary education at a level where they can more

likely succeed and then continue to move up if they do so.

CHAIR CASTRO: I'm going to move on to Commissioner Achtenberg, and then the Vice Chair.

COMMISSIONER ACHTENBERG: I'd like to take us back to where we started.

If the achievement of the baccalaureate degree from a -- an accredited university is the goal -- is one of the goals, I am not saying certificates that lead to middle-income jobs and the resurgence in advanced manufacturing that we also want to be promoting, and all -- there's a lot of other good things going on, and technical training of all kinds could make us more -- could make students, some students who choose to pursue that much more employable, with skills that are translatable and career paths that are pursuable, and all that is absolutely true, and this is not meant to suggest everyone should go to college or only the four-year degree is the only thing we need to be focused on.

It happens to be what this hearing is focused on, and trying to figure out whether or not the federal investment that is being made could be made better by focusing on practices that work in institutions that have shown by virtue of enrollment,

persistence, and current graduation rates that they have an inclination, some level of expertise, and a commitment to graduating students in general, and specifically, to addressing some of the gaps in attainment that we see in particular communities, which of course that being the particular issue of concern to the United States Commission on Civil Rights.

So having said that, all of these other things are of concern, and, you know, certainly are truly the case, with regard to that particular issue, if there were to be reformulation, reallocation of existing dollars to some extent, so we're not talking about more money, let's just talk about how we might spend the current assessment better to achieve the outcome of more baccalaureate degrees in general. As you said, we need that. And we also need more achievement in underachieving communities.

We need both those things, so that's my proposition. To the extent that we need both those things, and we have the opportunity to reallocate existing dollars, Mr. Haskins and then Ms. Siqueiros, what would you focus those dollars on?

You've said we have accountability, and I -- I don't disagree that we shouldn't be paying for things we're not getting, or conversely, we want to pay

-- we'd even be willing to pay more if we were getting the thing that we wanted, right?

I mean, so accountability is extremely important. Focusing on outcomes, I agree with that as well. Not so much inputs, but who is achieving the goal here? What other things might that money be focused on to get better outcomes?

MR. HASKINS: Yeah, I -- I have a very simple answer. It's already been given, and one of my recommendations was that states should base more of the money that they give to schools on performance, and performance should be graduation rates and employment and wages. Those are the main outcomes that we're looking for.

And the system would be skewed so that if you could do that, achieve those ends: graduation rates, employment, and wages, with kids from low-income families, that you would get some kind of extra credit, you would get extra money of some sort.

That's the way I would do it.

COMMISSIONER ACHTENBERG: Thank you.

Ms. Siqueiros?

MS. SIQUEIROS: I think the answer to your question is yes, the federal investment in higher education in this country can help address these issues

of either producing more graduates, if that's a defined goal -- you know, the investment has multiple goals, right? So I think probably the first step is do we get commonality around -- do we have a common goal that increasing baccalaureate attainment is important, that closing the gaps and not doing it in 300 years is important amongst our diverse populations, and ensuring that everyone, regardless of income status, has access to a higher education is important?

If the answer to those three questions is yes, then the investments could be targeted in a way that we ask the next question, which is how do we scale?

Because we could invest and continue to invest a lot of resources in private institutions that have, you know, good results but aren't necessarily scalable, or we could focus more of our resources on comprehensive universities that will have greater scale in terms of producing graduates that we need, and going back to your question, Commissioner, around what's most important, I think all three of those things are important, but certainly having transparency so you can have accountability around the outcomes that you want with your resources is clearly important.

And I would just add to what Mr. Haskins has said, is that you do have to be thoughtful about

what that accountability looks like, but I don't think that it's too much to say that every institution that gets federal resources should be demanded to improve their graduation rates and close their gaps at their institutions, and do a better job than they did the year before.

But until we articulate that as a goal and hold the purse string to achieve that, I am not sure that that is going to happen.

CHAIR CASTRO: Thank you.

Madam Vice Chair, you have the last question?

VICE CHAIR TIMMONS-GOODSON: Thank you very much -- thank you very much, Mr. Chair.

This is for Mr. McCluskey and Mr. Haskins. I have been following the arguments that we've been hearing regarding outcomes and accountability, and at one point, Mr. McCluskey, it seemed that you were saying that you would measure success by graduation, jobs, wages, and then you went on to put a value, I think you threw out $50,000, in terms of income.

And I guess what I found myself thinking is that when we're talking about educating and an educated citizenry, must we put an income, a wage value on it? Understanding, of course, that there are many

occupations and roles and services that our states and our federal government needs that there's just not a -- a real big value, income, placed on them.

You weren't saying that there is not success if you fail to make after attending college and graduating x number of dollars, were you?

MR. McCLUSKEY: I don't think it was --

CHAIR CASTRO: Your microphone?

MR. McCLUSKEY: I don't think I was the one who said it, I was the one who was saying there should be no measures because I don't want accountability, which is not the thing, I do want accountability.

(Laughter.)

But it actually does bring up an important point, so a lot of what we talk about are the outcomes, and we're not actually -- there doesn't seem to be agreement about what the outcomes should be. Should it be graduation rates? Should it be what you earn as you get older?

But one of the things that concerns me is in the State of Florida, a year or two ago, the governor said, you know, should we really be spending money to produce anthropologists?

VICE CHAIR TIMMONS-GOODSON: And that's the reason I ask that question, because that same

argument has been made by some of our leaders in the State of North Carolina. We have put, is a liberal arts education worth anything?

MR. McCLUSKEY: And that concerns me because I don't think that a lot of education is something that you necessarily monetize.

But I am very sympathetic to the huge concern that we spend a -- a gigantic amount of money on higher education. We don't seem to be getting anything like commensurate outcomes.

But this is why I think, and this becomes counter-intuitive, a lot of the problem is we have a lot of money that comes from somebody other than the student when they consume education, so they may decide I'll study anthropology for four years because it doesn't seem to be costing me anything, and maybe I just want to do four years of college.

So there is a balance there, but I absolutely don't want to go to a system where you essentially have a bureaucracy say if you don't earn $50,000 within three years of graduating, then there was something wrong with your education.

MS. SIQUEIROS: Can I just add a quick point?

You know, I -- I am all for institutions

and students having skin in the game, but one could make the opposite argument, that high-income students don't have any skin in the game when their parents fund their college education, and I don't think anybody would object to having parents fund their kids' college education.

So I think we need to be careful that we're not putting additional barriers for low-income folks that really shouldn't have to put anything in because if your family is barely surviving on $16,000 a year, why should you have to put anything into your college education?

CHAIR CASTRO: Okay, well that concludes this panel. Thank you, everyone. We appreciate it.

We're going to now take a few minute break until 2:45, and then we'll come back on the record with the final panel of the day. Thank you.

(Whereupon, the briefing went off the record at 2:32 p.m. and resumed at 2:45 p.m.)

PANEL IV

CHAIR CASTRO: Okay, it's 2:45, and we're going to bring back on the record our briefing for the fourth and final panel of the -- not only of the day, but of the briefing.

Before I swear you all in, for the purposes

of identification, I'll introduce you all.

I think most of you were also here earlier, but just in case, you each have seven minutes to speak. A system of warning lights will guide you: green go, yellow you've got two minutes to wrap up, and red we will then begin to ask you some questions.

So our first panelist this afternoon is Ms. Megan McClean with the National Association of Student Financial Aid Administrators.

Our second panelist is Dr. Richard Vedder with the Center for College Affordability and Productivity.

And our third panelist is Ms. Elizabeth Baylor with the Center for American Progress.

Actually, Mr. Goode is not here yet, so we'll continue when he arrives, we'll introduce him.

I want to ask the panelists to raise their right hands and swear and affirm that to the best of your knowledge and belief, the information that you're about to provide to us is true and accurate. Is that correct?

(Chorus of affirmative responses.)

CHAIR CASTRO: All right. Ms. McClean, you have the floor.

MS. McCLEAN: Great, thank you.

Good afternoon to the members of the Commission.

CHAIR CASTRO: Your microphone? You need to press the --

MS. McCLEAN: Okay --

CHAIR CASTRO: -- button there, thanks --

MS. McCLEAN: -- thank you.

CHAIR CASTRO: I should've mentioned that, I am sorry.

MS. McCLEAN: We'll try again.

Good afternoon, and thank you for inviting me to speak today on behalf of the National Association of Student Financial Aid Administrators, or NASFAA.

NASFAA represents more than 3,000 public and private universities and trade schools across our nation. Collectively, NASFAA members serve 90 percent of all federal student aid recipients.

Focusing specifically on the Title IV federal student financial aid programs, a central tenet of NASFAA's mission is to advocate for public policies that increase student access and success in post-secondary education, particularly for low-income students.

We know that financial aid has an impact on access and persistence, as just under 75 percent of

Pell Grant recipients in the 2012-2013 academic award year had a family income of less than $30,000. We also know that we need to do a better job of enrolling and supporting traditionally under-represented students, as they continue to represent a small portion of enrollment compared to white students in baccalaureate-granting institutions.

Knowing this context, we should be considering improvements to the federal financial aid programs with an eye toward how they may best serve the students who are most at risk.

In the short time I have with you today, I will share with you some policy concerns and recommendations related to two different areas of the federal student aid programs: first, the federal Pell Grant Program, and second, the federal campus-based aid programs.

The Pell Grant Program is widely known, as many of you know, as the cornerstone of the federal student aid programs. Today, though, there is a need to examine the Pell Grant Program with an eye toward making sure the program is meeting its original and intended goal.

For example, according to the Pell Institute, in its first full award year, 1976-1977, the

maximum grant was $1400, which covered approximately 72 percent of the cost of attendance at a four-year public institution.

Starkly, the maximum Pell Grant for this current academic award year is $5,730, representing only 36 percent of the cost of attendance at a four-year institution. The decrease in purchasing power is dramatic.

Although the program has seen increases over the past several years for which we are grateful, covering only 36 percent of the cost of attendance at a four-year public institution no longer provides access to a four-year post-secondary education for our lowest-income students.

While the program generally provides adequate funding for a community college, we should be focused on how to make direct access to four-year institutions an option for qualified low-income students. Without this option for these students, we are hindering opportunity, economic mobility and growth, and our nation's national competitiveness.

In addition to recommending more funding for the program, we also recommend making the Pell Grant Program more flexible, particularly for non-traditional learners.

The legislation and regulation currently governing the Pell Grant Program are very much geared toward the student entering college at 18 years of age at a traditional four-year brick-and-mortar school and program.

We know that many low-income students do not fit this traditional mold. For example, some don't start right after high school, some begin or return as adult learners, and some are not able to enroll continuously due to financial or family obligations.

NASFAA has a series of recommendations that would make the Pell Grant Program more flexible and thereby increase access and success for low-income students, and I will briefly outline two of them.

The first one is called the Pell Well. This pot of funds, or Pell Well, would be available for students to draw down from as needed until the student either completes the academic program or runs out of Pell funds rather than allotting a certain amount of Pell dollars for each award year.

For example, under the current structure, a student attending a college continuously through the fall, spring, and summer semesters would temporarily run out of Pell funds at a certain point because there are only so many Pell dollars allowed per award year.

In that so-called gap semester before their Pell eligibility resumes, the student is faced with turning to student loans, attempting to work and attend school simultaneously, or perhaps even drop out.

A Pell Well would help to mitigate some of these negative consequences.

The second proposal is providing a federal Pell Promise. A Pell Promise would act as an early commitment program for the Pell Grant Program. The Pell Promise would teach students as early as ninth grade about Pell Grants by notifying them of how much Pell Grant funding they will be able to receive in the future and a guarantee of that amount, if they complete high school successfully.

We believe strongly that making the Pell Grant Program more flexible and continuing to advocate for increased funding will help this country move the needle on access and success for low-income and at-risk students.

I will now talk about the federal campus-based programs, which are a critical piece of student financial aid and include the Federal Supplemental Educational Opportunity Grant, Federal Work Study, and the Federal Perkins Loan Program.

All need-based, these programs are deemed

campus-based because even though they are federal funds, the funds are allocated directly to participating institutions based on a formula, and the institutions then determine using federal guidelines which of their students receive the funds as well as those award amounts.

The formula, the place where many believe that the inequity exists, is based on two principles: first, the fair share portion of the formula, which primarily calculates the amount of funds an institution receives based on the relative need of their students, and second, a base guarantee that ensures that participating institutions receive at least as much as received in prior years.

As a result of the latter, a portion of the funding is dedicated to maintaining traditional funding levels at specific institutions. It does not necessarily reflect the national need.

This has the effect of some institutions receiving higher allocations simply because they have been in the program longer.

This funding pattern does not reflect growth or shifts amongst students or across institutions, creating a situation where under-resource institutions often have fewer access to

those dollars than institutions that have more resources.

Consequently, NASFAA has made the following recommendation to change the way that the funds in the campus-based program are allocated to institutions so that they will become more targeted to low-income, needy schools and students.

We propose an elimination of the base guarantee and that we rely solely on a fair share funding model. This would eliminate the current model that is based in part on historical allocation and introduce more fairness into the program by basing the allocation on the institutional need instead.

In closing, I want to thank you for the opportunity to discuss some of these programs and challenges that exist, particularly for low-income students. We are happy to provide additional information and of course to work with the Commission in the future. Thank you.

CHAIR CASTRO: Thank you.

Mr. Vedder?

MR. VEDDER: Yes, thank you.

CHAIR CASTRO: There you go.

MR. VEDDER: Yeah, I am technologically inept, I only have a PhD.

This oral presentation is expanded somewhat in an accompanied written statement. It is conventional wisdom that greater participation in higher education is necessary for social economic achievement and achievement of the American Dream, and it's true that on average, Americans with four-year degrees earn dramatically more than those with a high school education, and that the college earning differential is a good deal larger today than it was at the time that the Civil Rights Act of 1964 passed.

That said, however, my message today is that a higher education is no panacea for eliminating disparities in income and wealth between individuals based on group characteristics such as race and gender.

A fervent drive to increase educational attainment among minority groups will likely lead to disappointment, as, in some sense, it already has.

Let us look at African Americans. In 1970, for every 100 whites enrolled in American colleges, there were 11 blacks. By 2013, there were 25, a dramatic growth in educational access by African Americans.

Yet the narrowing of income differentials between blacks and whites has been very modest. For example, black household income rose by 2-5 percentage

points relative to whites from 1980 to 2013, depending on the statistic used, for maybe 60 percent to 65 percent, for example, eliminating 10 or 12 percent of the differential.

The fact remains that increased educational attainment among blacks has succeeded in eradicating only a very small proportion of racial income differentials, and the future prospects of doing so in the future do not appear to be particularly good.

And the question is why is this so? And first of all, the evidence is clear that the proportion of important minority groups like African Americans and Hispanics entering college that actually graduate within six years is below the already abysmal national average of about 60 percent.

Schools under pressure to admit minorities often accept students with low prospects for success. Special remediation education programs have had relatively low success rates. We have many urban universities with high minority participation where far more students drop out than graduate within six years.

A contributing factor, no doubt, is the generally inferior quality of the inner city public secondary education, leading to students being

admitted to college who are at best marginally qualified. Colleges brag about high minority enrollments but often are guilty of luring students with very low realistic probabilities of success. They gain bragging rights and tuition revenues but leave many students deep in debt with no degree or high-paying job.

Second, merely graduating from college provides no assurance of a good future income. Growing evidence shows that a large proportion of recent college graduates are underemployed performing jobs where a majority of jobholders have high school diplomas.

Arum and Roksa in Aspiring Adults Adrift found that one-fourth of college graduates are living with their parents two years after graduation, and a majority still receive some financial support from their parents.

Moreover, as the proportion of adult Americans with bachelor's degrees or more approaches one-third, the mere receipt of a degree no longer necessarily indicates a person with above-average skills and abilities. Employers are becoming more particular. The high college earnings premiums still applies to the graduates of the elite, mostly private

schools who get good managerial, technical, and professional jobs, but those earning premiums are far less to graduates of schools of lesser reputation, schools where minority representation is historically very high.

Moreover, earnings of college graduates vary considerably with a major field of study. Some minorities disproportionately major in fields whose graduates have relatively low post-graduate earnings, so too many students are unaware of the risks associated with college attendance.

I think the law of unintended consequences has operated as an outgrowth of public policies and ways that have hurt low-income persons with minority status.

For example, the Griggs v. Duke Power Supreme Court case emanating from the '64 Civil Rights Act unintentionally increased the value of college diplomas by reducing the ability of firms to use alternative ways of certifying worker competency, thereby allowing colleges to raise fees more aggressively, as did the various federal student financial programs emanating out of the Higher Education Act of 1965.

The FAFSA form, the hated FAFSA form, enacted to help disburse financial aid, has

disproportionately turned off minority group members bewildered by the form's complexity. I worry that on balance, burdening the -- we are on balance burdening African Americans and Hispanics by overselling the gains and understating the risks associated with going to college.

Colleges should have skin in the game, sharing in the adverse financial consequences associated with college dropouts falling to delinquency on a large amount of college debt.

Noble intentions were behind the Civil Rights Act of the 1960s, and arguably, some real gains have occurred. For example, with respect to gender equity, it is men, not women, who are now very significantly under-represented in colleges.

But putting aside past accomplishments, an honest appraisal suggests to me that an unrealistic promotion of college participation may now do minorities more harm than good.

Thank you very much.

CHAIR CASTRO: Ms. Baylor?

MS. BAYLOR: Thank you, members of the Commission, for inviting me to be part of this discussion.

I am the Associate Director of

Post-Secondary Education Policy at Center for American Progress --

CHAIR CASTRO: Could you move a little closer --

MS. BAYLOR: Oh sure, sorry.

Center for American Progress, or CAP, is an independent non-partisan policy institute, and we are dedicated to creating new policies with bold, progressive ideas. We believe access to quality, affordable education beyond high school is a critical part of enabling our citizens to have economic mobility and to make sure that our economy grows with sort of shared prosperity.

Today, I will describe our policy ideas for improving the higher education system, and particularly, how it serves people of color.

The three policy areas that I am going to discuss are increasing the federal and state investment in public colleges; guaranteeing that students will receive financial aid -- enough financial aid to pay for college up front; and making sure that students are prepared to do college work when they enter college and then receive support from their institution to meet their academic goals.

First, I'd like to set the stage a little

bit. This might not be news to you, as this is the last panel of the day, but since 1970, the 1970s, we've made significant investments in Pell Grants and student loans to make more -- more Americans able to pay for college.

These programs have paid dividends. The college-going rate has increased by more than a third since the 1970s, and it has increased particularly for low-income, middle-income, and students of color.

At the same time, our higher education system is becoming more diverse. In 1976, people of color were 16 percent of the higher education system. Today, they are happily 40 percent. Part of this increase is because our citizenry is becoming more diverse, but also because of the increased participation rates among people of color.

But at the same time, there are troubling signs that people of color are not able to access some of our most well-resourced universities.

Research universities, as categorized by the Carnegie Classification system, are some of our most well-resourced and academically rigorous programs. During the fall of 2012, students of -- undergraduate students of color at public colleges were 37 percent of the degree enrollment, but at these

research universities, they were 29 percent, and students of color were 41 percent of the students at two-year colleges. So you see a -- a disparity there.

And overall, of the 150 public research universities, only 9 of them are institutions that have a specific mission of serving communities of color, Hispanic -- Hispanic-serving institutions, tribal colleges, minority-serving institutions, and historically black colleges.

So the first step for addressing some of these inequities is to look at the cuts that have happened to public education. After the recession in 2008, many state governments had to cut back their funding for colleges. Our research has shown that 29 states decreased their overall, their total investment in higher education, and 44 states decreased their investment on a per-student basis.

We also found that institutions that served a higher proportion of students of color had -- were particularly hard hit in these -- in these -- with these cuts, so one of the things that CAP has proposed to sort of address this situation is a program we call the Public College Quality Compact.

This would be a federal matching program that would jumpstart a reinvestment in state colleges.

We believe that it is -- it -- without this kind of reinvestment, we're not going to see the gains that we need.

Under our proposal, states would be eligible for federal matching funds if they invested at least as much as the maximum Pell Grant per student, and that we would give extra bonus funds for serving students -- Pell Grant students and G.I. Bill students. This provision would be explicitly aimed at increasing the investment in -- in institutions that serve students of color.

The second piece that we -- I wanted to talk about is our College For All proposal. We want to make the funding guarantee for going to college much more certain.

We think that education beyond high school needs to be universally available, and that needs to cover tuition and fees, living expenses, and making sure that -- that students know going into high school that this award aid will be -- be available to them, very similar to the Pell Promise.

We think that that is important because students will know in high school that they -- that college is available to them, and we want to see more high school students taking a college preparatory

curriculum.

And then finally, I would like to talk about what happens when a student gets to school. It's really important that students receive support from the institution that will make it less risky for them to attend.

That includes bridge programs that -- that have shown to boost student progress and student success, and the other piece that we think is really important are learning communities, which are interventions where students have shared values, shared -- shared work, and they know that other -- other people are participating in the program with them, they have folks to -- students to interact with, they have professors who are -- who are tracking their progress.

So in conclusion, I thank you again for having me, I am happy to answer any questions, and I am happy to provide follow-up information.

CHAIR CASTRO: Great. The Chairman will lead with the questions this time, Commissioner, and then I'll hand it over to you.

Mr. Vedder --

MR. VEDDER: Yes.

CHAIR CASTRO: -- I read and then listened to you with great interest on -- on what you conclude,

what your position is, and very similar to what Mr. Clegg, Roger Clegg, said yesterday, as did Stephan Thernstrom, and that is, you know, minorities -- and, you know, I agree that there's individuals that may not want to go to college, that may not be right for college, that there may be other opportunities for, but you all tend to make these blanket statements as you did in your concluding remarks that minorities shouldn't really try for this because they're going to be disappointed.

And you point to the fact that the wealth gap has not been narrowed for blacks and whites since the 1960s, and then you say they come to school not -- they come to higher education not prepared because the system, K-12, didn't prepare them well.

But you're blaming a community for a -- a playing field that was set by discrimination in the past and discrimination in the present.

As Fabian Pfeffer from the University of Michigan very eloquently put yesterday to Mr. Clegg on this point, the fact that wealth is such a huge divide, particularly with African American communities, he said up until the 1950s, they were prohibited from purchasing the asset of a home, which by and large is the main asset of wealth for minorities, because of discrimination.

And when you look at the school systems that these communities find themselves in, they are based on schools and communities that have a tax base that is virtually non-existent compared to the wealthier whiter communities, so they have schools that are under-resourced, they have schools that don't have access to Advanced Placement and college preparatory courses, so to the extent that these students may be hamstrung, it is because of a system that has been rigged that way, in my estimation.

And then to say, well they have only made -- you know, they have come from here to 25 and they haven't reached 100, so why even bother, seems to me to be very -- an inappropriate way to address this issue.

If those are the concerns, we shouldn't be saying, well, you know what, you guys are just never going to hit that 100 mark, you're only at 25, you shouldn't even try, and that seems to me to be closing off an opportunity for a group of people based on their status, as you said, minorities shouldn't even try.

I mean, you must value your Northwestern degree and your PhD from the University of Illinois. God knows I value my law degree from the University of Michigan because I know that it opened doors for me that

I would not have had had I gone to a less prestigious school.

So to say, as a blanket, that minorities shouldn't try for the prestigious because it might be hard, yeah, you know what, maybe I got a little bit more Bs in Michigan than I would have had I gone to a local school that didn't have prestige and maybe I'd have come out of there A+ and, you know, Order of the Coif, but you know what, Baker & McKenzie would have never hired me if I hadn't come from a prestigious school.

So I think we are setting up --

COMMISSIONER HERIOT: Mr. Chairman, I think you are misrepresenting what Dr. Vedder --

CHAIR CASTRO: I think --

COMMISSIONER HERIOT: -- said.

CHAIR CASTRO: I think we're setting up our minority communities for something -- for failure, based on past failures that the system has already set them up for.

COMMISSIONER HERIOT: Again, you're misrepresenting what Dr. Vedder --

CHAIR CASTRO: Well he will answer --

COMMISSIONER HERIOT: -- said.

CHAIR CASTRO: -- whether I am saying that or not, so that's how I interpreted his --

MR. VEDDER: Well, I would agree with Commissioner Heriot.

But -- and let me -- well, let me say this.

If my testimony came off as saying I don't think blacks or Hispanics or whatever minority group should try because there is something of that nature, anything of that nature, that certainly was not the intention, nor do I think it was really expressed in my testimony.

Let's actually look at the -- I think the failure for minorities is -- is a failure of public policy. I think public policy is hurting minorities in unintended ways.

Let me, without using black, Hispanic, or names that might be inflammatory, let's talk about income.

What percentage of college graduates today come from the bottom quartile of the income distribution? We know that the bottom quartile disproportionately includes minorities, but not -- let's not put it in minority/majority, let's put it in terms of income.

In the bottom one-fourth of the income distribution, in the last few years, about 10 percent of the graduates come from that -- that group of people.

That's 25 percent of the population, but they are only 10 percent of the graduates.

What was it in 1976, the first year the Pell Grant was made? 12 percent. It was higher then than today.

Someone at my -- one of my colleagues said, well gee, the Pell Grants haven't kept up. We've gone from 60, what is it, 62 percent to 38 percent in terms of funding.

CHAIR CASTRO: 72 to 36.

MR. VEDDER: 72 to 36. But we also went from $1400 to $5700. In the real world, which is to say outside of higher ed, in the rest of the world, the price of bread tripled. The price of housing tripled. The price of food tripled. In real terms, the way the Bureau of Labor Statistics one mile away from here, less than a mile away from here, calculated, the Pell Grant has gone up 30 or 40 percent.

Well, why isn't it covering this much? It's because colleges have raised their tuition. Why aren't you looking at that? Why aren't you looking at -- at the producers of these services, what they are doing? They are exploiting people.

They are taking these financial aid programs and they're raising fees. That hurts all

people, but it hurts minorities more, it hurts blacks more, and I'm not saying gee, therefore blacks shouldn't go to college. No. I am saying they're -- they're being ripped off more, relatively speaking.

And that is the -- the thrust of what I wanted to say.

CHAIR CASTRO: Okay, we are going to look at that because we actually did have some testimony on that yesterday, so that issue is going to be something we look at, but that's not what I interpreted your remarks, both written and oral, to be.

Commissioner Achtenberg?

COMMISSIONER ACHTENBERG: I wanted to talk with Ms. McClean about your observations regarding the campus-based aid programs.

So you -- SEOG as well as college work study, as -- and there is a third program --

MS. McCLEAN: The Federal Perkins Loan Program --

COMMISSIONER ACHTENBERG: Perkins Loan, yeah.

Could you talk about each of those in turn and whether or not the other two as well are ripe for reform, and in the case of college work study, not just the allocation, but whether or not increases in college

work study might be a smart investment if our goal was to empower students in general who are already in college to achieve the baccalaureate, and any observations you might have about whether or not there is anything pertinent, in particular, to persistence and degree attainment on the part of racial minorities?

MS. McCLEAN: Absolutely, and I will start by saying something I didn't mention in my testimony is that many of you may know that the campus-based programs are, I think, kind of on the chopping block as we approach this upcoming reauthorization, so I want to state firmly that we at NASFAA find them very valuable because of that campus-based nature, I think that that's an important thing for me to say.

I'll go through them individually as you asked. The first one, the Supplemental Educational Opportunity Grant, which is designed to be -- to supplement the Pell Grant Program really is what it does, and that is a grant-based program, and the aid administrator does have flexibility to sort of look at their pool of students and decide who gets those additional funds within federal parameters.

And so most institutions will try in some way, shape, or form to allocate that fund -- those funds to Pell Grant recipients.

I think that's a program that works very well right now, so in terms of it being ripe for reform, I think we'd like to see more money in it, but I think to the extent that it supplements in its grant dollars, it's doing a good thing right now.

The Federal Perkins program, I think, you know, we could always look at expanding that program. Right now, it's a relatively small program. It's a $1 billion program, and we think about that in terms of the Pell Grant program, for example, that is very small.

And so I think what we might look at is expanding that program to get more institutions into it so that more can participate.

And the Federal Work Study program is a program with a tremendous amount of goodwill, both on Capitol Hill, but with, you know, financial aid administrators and most folks in our community, and I would say with that, we would love to see more funding in that program, and certainly that helps students as they get those paychecks throughout the semester, but you asked specifically about other benefits, and there really has been research to show that it really does connect students to the institution if they can have a job that they go to and they get kind of intertwined and have the supervisor they're working with, so

there's been research to show that, and then certainly for a lot of students that is their first real job experience, and they rely on that heavily when they graduate on their resumes and in trying to get their first jobs.

COMMISSIONER ACHTENBERG: We heard testimony on the part of Chancellor White of the California State University that in particular, college work study was a -- a very important part of not only making the student connected to the university, but also enabling the student perhaps to have an opportunity to do an internship inside the university or to undertake to become a lab assistant or something like that with college work study funds, and that makes the person more likely to persist, to achieve, to -- to graduate.

MS. McCLEAN: Yes.

COMMISSIONER ACHTENBERG: So he -- he was also an advocate of targeted work study, and so that -- that is pretty consistent with -- with his testimony.

I am wondering, Ms. Baylor, if some of the recommendations that Ms. McClean is making ring true for your organization, and if you could comment on that.

MS. BAYLOR: Absolutely. We -- I agree that the -- the work study program should be -- connect

students to universities and that it helps give them work experience to take into after school.

We also in particular would like to see an expansion of anything that would connect -- jobs that connect the student to their academic work --

COMMISSIONER ACHTENBERG: Yes.

MS. BAYLOR: -- in particular, to make sure that students who have economic need also have the time and the opportunity to, if they can't afford to do an unpaid internship that gives them a leg ahead, want to make sure that there is an opportunity for them to do work that connects them to their academic work related to SEOG, we would like to -- our general -- general recommendation is that we need to have more aid that is not paid back, right, especially for students at the low end of the income scale.

We want them to understand that a college education is something that they can attain, especially because the jobs and the economy require these skills.

COMMISSIONER ACHTENBERG: Well, we heard testimony from King Alexander regarding the funding formula for SEOG, and his observation was pretty consistent with yours when you said that the -- one of the components is the sort of that whole "harmless" clause where you -- you give the -- their base -- you

give them the base that they had the year before, so the older institutions that had need when the program was created and have been outpaced enormously by newer, faster-growing institutions, that the formula is outdated and tends to reward older institutions and give them more money.

We heard, in fact, a statistic, all the Ivy Leagues combined receive $10 million in SEOG for 60,000 students, whereas the California State University, which educates 400,000 students, receives $11 million, and of their 400,000 students, almost half of them are Pell eligible, whereas the Ivy Leagues maybe under 15 percent are Pell eligible.

So the money is being -- a large amount of money is being invested in the very small number of needy students on the one hand, and over here, you have a huge number of needy students who are getting essentially nothing now.

Perhaps that might be combined with some kind of outcome measurement. I mean, we heard earlier, and I -- I am sympathetic with Commissioner Kirsanow's concern that solely the measurement of inputs is not exactly where we want to be, particularly if our goal is to increase the attainment of the baccalaureate degree, both in the aggregate as well as with regard

to minority underachievement.

But it seems to me that that SEOG, I hope it's not on the chopping block, but it certainly might be on the redistribution block if equity is going to be more readily achieved. Is that a conclusion that you would agree with, or do you take -- do you take some kind of -- is there something there that I am missing?

MS. McCLEAN: No, that -- I think that's correct.

COMMISSIONER ACHTENBERG: Mr. Vedder?

MR. VEDDER: Yeah.

COMMISSIONER ACHTENBERG: Did you have an observation --

MR. VEDDER: No.

COMMISSIONER ACHTENBERG: -- with regard to my statement?

MR. VEDDER: No, not -- not -- no, I -- I have no specific observation, except for one thing.

The base -- what do you call it? The base guarantee, everyone I know in higher ed that -- that any -- it's a political thing. It's not -- it has no rational basis, any basis, so I am in complete agreement with the statements with respect to that.

COMMISSIONER ACHTENBERG: Ms. Baylor?

MS. BAYLOR: Yes, I think that one of the

things that we see systematically from state funding to this grant program is that institutions that are well-resourced end up -- end up having more students succeed, and so -- and then you see these institutions that have prestige associated with them get more money, and the institutions that are serving some of the neediest students seem to be facing the cuts first, and we need to redistribute that.

COMMISSIONER ACHTENBERG: I just have one quick -- your federal matching program encouraging states to reinvest, one of the primary factors for the increase in tuition, at least in state-funded institutions, I am not saying it's the only factor, but a primary factor has been the progressive disinvestment on the part of states on behalf of their state university systems. At least, that has been the phenomenon in California, and I know that has been true in other states as well.

How would a federal matching program work in terms of your proposal, and how does that yield increased investment on the part of the state?

MS. BAYLOR: So the way we would envision it is that we would create a pot of money at the federal level that states would be eligible to access if they spent at least as much per student on a Pell Grant --

if their overall state investment in the public college system is equal to at least as much as a Pell Grant per student, so $5,700.

Right now, running the numbers, we looked at it that 37 states are already over this bar, and another 10 states are within a couple hundred dollars of this bar, so we thought it was a bar that kind of pushed people, pushed states a little bit, but wasn't, you know, outside the realm of what seemed reasonable.

And -- and what we would say is that if you participate in this program, you'd be eligible for this extra funding for -- for any money that you put back into the system, the federal government will match you, and we would create -- we thought that -- we wanted to make sure that the matching supported students from backgrounds that we wanted to see succeed, and so we thought enrollment of Pell Grant -- Pell-eligible students and G.I. Bill-eligible students would be good measures to sort of redistribute this equity.

MR. VEDDER: May I add to my statement? You asked me a question, and I -- we give -- the federal government gives $50,000 per pupil, or student, or more, aid to the elite private universities: the Harvards, the Yales, the Princetons.

When you take account endowment subsidies,

special, you know, privileges for people who make donations and so forth, these are low-Pell schools with low Pell participation. These are schools that have legacy admission standards that often discriminate against minorities. I don't know why you people -- you people, that's probably a wrong term to use --

CHAIR CASTRO: Probably.

MR. VEDDER: -- the Commission doesn't look into this issue and take this up as a topic. I think it's something -- and it's something that, by the way, people on the conservative and the liberal ends of the spectrum might find some agreement on. Just a thought.

CHAIR CASTRO: Commissioner Narasaki, followed by Commissioner Heriot.

COMMISSIONER NARASAKI: Thank you.

So I have a couple questions. One is, so Mr. Vedder said that a college degree is not a guarantee of employment, and so but what I want to understand is -- from all of you, is it seems to me that increasingly though it's becoming a prerequisite for many jobs.

So is it correct to say that you will have many more opportunities for sufficient employment, paying a living wage or getting you into the middle class, if you have a college degree versus if you don't?

MR. VEDDER: Well, since you mentioned my name first, I would agree with that statement.

College degrees, other things equal, and that's an important qualification, have -- are a ticket to -- are a better ticket to success than not having a college degree.

So of course, we want people to get college degrees.

By the way, I am -- I am the only one here who has actually -- except for some Commissioners, that actually teaches students. I am in my 51st year of teaching. I have been teaching for 51 years, so I -- I am a great believer in pushing college education.

There is a payoff, but there's a -- but there is also a huge amount of risk associated with getting that degree. That was my point.

And if we don't point that out, my wife is a kindly high school guidance counselor, and she -- we're the worst offenders. We tell everyone go to college, go to college, go to college.

CHAIR CASTRO: Not everyone.

COMMISSIONER NARASAKI: I think that's what -- I think that's actually what the Commission is exploring, is we are concerned that there are institutions that seem to be gaming students at the --

at the expense of students and not really concerned with them graduating and being able to use education, so I am glad that you clarified it, that is very helpful.

The other thing I have been concerned about really the last two days, there's been a lot of focus on sort of the private good, right, of what's -- what's in it for the student to get a college education, which I think most of us agree is important to either get college or some kind of advanced degree, you know, whether it's -- whether it's vocational or something else, that these days, in this global economy, a high school degree just really isn't going to cut it for most people I think is the case. At least, that's my personal observation, and I say that as someone who has a brother who became an actor and defied all of the Asian American culture and said he wasn't going to college, so -- and he's one of the smartest people I know.

So obviously, you can succeed without a college degree, but it just makes it easier, I believe, if you have one.

So what I'd like is some observations. We have some in our written testimony. What's the public good? Aside from, of course, the hope that you will become someone who is making enough money to pay to the tax system and help drive the economy, what are some

of the other goods that are associated with college degrees?

MS. BAYLOR: So one of the first things I think of is greater participation in our society, right?

You see people with education -- more education beyond high school being better at civic engagement, and I think that we'd like to see that across the board.

I think that because our economy, we talked about the global economy, the 21st century economy, and how close it is, it makes our country more competitive with other countries. That's not just the consumer angle that I have more tax dollars to -- or I have more income to consume, it just makes our -- because -- because job creators can move their jobs anywhere around the world, it's easier for them to move their jobs around the world, and if we have the type of workers that they want to employ, they'll move the jobs to our shores.

MS. McCLEAN: Yeah, I would echo -- oh, sorry.

I would echo that as well, that I think the engaged citizenry is -- is a huge part of it, the national competitiveness.

But also, I mean, these might be more generalized as kind of the softer skills, but just the general tendency of college-going folks and graduates to be more open-minded and to leave having known what it's like to work with other people and to work in groups, and I think -- I think it really does a great, great thing for society as a whole.

COMMISSIONER NARASAKI: We actually, in our hearing in New York on use of force, I asked the panel the question of, you know, what's the biggest link, what can we do to help law enforcement be able to make better judgments with the use of force? And one of the responses was that the thing that correlated most with appropriate use of force was a college education, which I thought was really fascinating.

The other thing I want to know --

CHAIR CASTRO: Commissioner, actually, Mr. Vedder I think wanted to answer your first question as well.

COMMISSIONER NARASAKI: But can I finish --

CHAIR CASTRO: Oh --

COMMISSIONER NARASAKI: I'll let him answer.

CHAIR CASTRO: But you're asking the

second question.

COMMISSIONER NARASAKI: No, no, I just want to finish the -- the other observation is there's a lot of testimony here that the most likely predictor for kids to be able to successfully go to college and -- and graduate is having parents who went to college, right? And I get concerned about the lack of value of having educated parents, and partly because when I was going to college, I went to Yale, and my uncle said to my dad, why are you bothering spending all this money to help her go to Yale because she's only going to get married? And you're wasting the investment.

So I feel like there is an investment to having educated moms and dads who can better help their kids not just because of a better income, but because they have bigger vocabularies and they're able to be more supportive of their kids growing up, so I just wanted to say that.

But Mr. Vedder.

MR. VEDDER: You were asking about public -- the public goods --

COMMISSIONER NARASAKI: Right.

MR. VEDDER: -- component of higher ed.

There are a couple studies that I don't know why proponents of higher ed don't look at more

often by the National Bureau of Economic Research and others that show that where you have more presence of college graduates in a work environment, you get greater productivity out of your non-college-environment, that would be a pure public good kind of thing.

There is, however, some evidence that there may be, as the late Milton Friedman wrote in an email to me shortly before he died, that there are also some negative externalities perhaps associated with college in some cases.

Another one that is often used is smoking. College graduates smoke less, so that causes less secondhand smoke problems and health issues, they claim that there's health benefits, although actually people who smoke die earlier, and that lowers the Medicare costs, so you know, you -- I am sorry, it's true.

(Laughter.)

COMMISSIONER NARASAKI: That's a somewhat grim view. I'm not sure I want to explore that one any further.

I think I'll shift to the TRIO program. So -- so I'm a little sensitive on that one because my father died of emphysema.

So on this issue of TRIO, so some -- some

of the stakeholders have suggested that we -- that there's not enough data to show that all of the programs are working as effectively as we want to given the investment.

Some have said that therefore we should just end them. Some have said perhaps we should remake them, maybe into more general grant programs with a lot more accountability. So I am just wondering what your recommendations, if you have any on that.

MS. BAYLOR: Very top level, I would say don't get rid of them, right?

Because anything that we have -- any programs that we have that are supporting students in school, whether or not -- I think that the idea that -- the idea of accountability is incredibly attractive in higher ed. It's something people are talking about a lot. But I think you can take accountability to every tiny -- to the point where you have very few returns, and I think the TRIO programs are designed to support students in college.

More recently, I worked for the Senate Health Committee where we did work on for-profit colleges, and one of the things that we looked at was the fact that when students came in the door, they weren't getting support, and so one of the most

important questions is what are you giving this person access to? Are you giving access to going through a door and then not getting any help on the other side? That's what the TRIO program is there to do, and so I think that measuring sort of interventions that work and saying hey, you should do this, is an effective way of -- of calling for improvement within the TRIO programs, but sort of measuring every TRIO program and then ending them is -- you end up -- you end up spending more time trying to like satisfy the accountability than you do supporting the student.

MS. McCLEAN: Yeah, I would agree with those remarks. I think the programs are so valuable because of the support that they provide, and they're very unique in that way in terms of a federal program, and so perhaps there's ways we can look at, you know, reforming them or making them better, we can always do that in public policy, but certainly eliminating the programs is not something that we would be in support of.

CHAIR CASTRO: Okay, Commissioner Heriot?

COMMISSIONER HERIOT: Thank you, Mr. Chairman.

CHAIR CASTRO: You're welcome.

COMMISSIONER HERIOT: I don't have a

question so much as a request here. Perhaps I should have mentioned this to some of the earlier panelists as well because they also brought up the topic, but I forgot, so let me try it on you, especially you, Ms. McClean, because you're the one that mentioned this.

I haven't been teaching quite as long as Dr. Vedder, but I have been teaching 26 years, and I love my university, I love my colleagues, I love my colleagues at other institutions, but I also know that they have a funny habit of arguing that things that are really good for them are also good for students.

And so you've got to watch out there, so I'm a little bit wary of the claim that work study is especially great because I know that work study benefits me because I get free labor out of it, and my colleagues get free labor out of it.

But on the other hand, the arguments that have been made by panelists here make a lot of sense to me, the notion that keeping students on campus, you know, helps, rather than having them work at that pizza parlor, you know, they're actually getting, you know, feeling like they're part of the community, they might stay around longer.

You mentioned that there is some empirical evidence on this. Could you cite that to me and send

it to me when you get a chance?

MS. McCLEAN: Absolutely --

COMMISSIONER HERIOT: Great.

MS. McCLEAN: -- I'd be happy to.

COMMISSIONER HERIOT: Great.

CHAIR CASTRO: Any other questions, Commissioners? Oh, Commissioner Kirsanow?

COMMISSIONER KIRSANOW: Thanks Mr. Chairman, and thanks to the panelists.

I think Dr. Vedder you had mentioned that because of Griggs v. Duke Power, the value of a college diploma has been -- I guess for lack of a better term, it's now a must-have credential because of the fact that in Griggs v. Duke Power, a high school diploma was ostensibly used to bar certain people from employment even though it didn't have any job-related significance.

Is there -- the title of this hearing is The Effect of Access to Persistence in Attainment of College Degrees and Socioeconomic Movement of Minorities. Do you see the credentialism that seems to be pervasive among colleges, grade inflation, the explosion of remediation courses, as something that -- first of all, not all college degrees, not all disciplines all the same, not all colleges are the same.

Do you see there being a dilution of the college degree and/or a reduction in social or socioeconomic mobility as the result of this kind of devaluing of the college degree?

MR. VEDDER: I do. I think it's -- the college degree at one time was an important screening device. It still is an important screening device that for employers provides a relatively low-cost way of them differentiating what is on average a bright, disciplined potential workforce, those with degrees, as opposed to those who are without, who on average, on average are less bright, less motivated, less -- less knowledgeable, less skillful, and so forth, maybe less cognitive skills, I don't know about that.

And as more and more people go to college, and many of them are getting degrees that, to pick up on an earlier panel discussion, where the amount of actual learning outcomes that have occurred are -- are pretty dubious, that no longer is the bachelor's degree -- it's starting to lose its cachet, except, except at the elite schools, because the elite schools are still thought of as being the best and the brightest.

So if you look at the earnings, in my testimony, I took the earnings of 22 elite schools. I don't know if Michigan made the list, Northwestern

didn't, Commissioner, but very -- the yuppie schools. 22 -- I actually took all private ones, I think -- 22 private schools at the top, using payscale.com data, and 22 schools from the Forbes Rankings of Colleges and Universities, which I by the way do, in the bottom, randomly selected, I added a couple HBCUs in too to be sure that there was a good minority representation among the schools.

The earnings were right out of the box 35 percent higher in lead schools than the non-lead schools. So we can send you to a college, or we can send you to a real college, and at mid-career, the differential had widened to well over 50 percent.

So the kids that go to the elite schools not only make more to begin with, they get larger percentage advances.

And you know, I think that's partly a consequence of this huge expansion of the system that has devalued the degree, it's led to credential inflation, so now we have 115,000 janitors with bachelor's degrees, I am waiting for my university to put a master's in janitorial science program in any day now, you know, we've got to have more and more credentials.

And for what purpose? What is it serving?

Have we got greater income equality in the United States? Have we -- you know, what have we achieved from this?

And, you know, and I'd love to talk to you privately because I thought the questions you asked at the last panel were particularly poignant with regards to, you know, what are the outcomes? What, you know, what is it we're trying to achieve?

And we don't have good information. Do we know -- the United States Government does not publish data on the graduation rates of Pell Grant recipients.

Now, we spend $35 billion a year on Pell Grants. We don't publish the data. If you call up Arne Duncan tomorrow and say we want the data, he won't give it to you.

Now, maybe, you know, you're the Civil Rights Commission, maybe you've got more power, I don't know, but you don't have -- now, that is a crime. That is an absolute --

COMMISSIONER HERIOT: That they collect it or just not publish it?

MR. VEDDER: Well, that they, yeah, they collect data on Pell Grants, they do publish data by colleges, you know, Pell Grant percent, but they don't publish it by -- I mean, they publish, you know, what

percentage at UVA are college Pell Grant, we know that, but we don't know by -- as a general statistic.

CHAIR CASTRO: Any other questions? Commissioner Narasaki?

COMMISSIONER NARASAKI: Yes, I forgot this. I had hoped that there would be someone from an HBCU testifying, and apparently they weren't able to come.

So my understanding, and I was talking to someone who heads an HBCU down I think it was in Alabama or Mississippi, and they were telling me that actually, HBCUs these days have a large percentage of non-African-American students attending.

And the HBCUs end up doing a lot of remediation support, so I am just wondering if any of you have expertise to comment on the HBCU system.

MR. VEDDER: The -- there is a general truth to what you say. There has been an expansion in the non-African-American component at HBCU enrollments.

There is a broader problem with HBCUs, which has been there has been a very significant decline in enrollments at a large number of schools in recent years, and this is, you know, this is getting to a very serious point in some institutions. I could name

specific examples, but it probably wouldn't be appropriate.

MS. BAYLOR: I don't really have a lot of information. What is your exact question? I am sorry, could you repeat it?

COMMISSIONER NARASAKI: I am just -- I am interested in the percentage of non-African-Americans --

MS. BAYLOR: I don't have that number off the top of my head, but I would imagine that it has grown, you know, from a really, really tiny percent to like a small percent, right?

So I don't think we're seeing a sea change, but perhaps Megan--

MS. McCLEAN: Yeah, I don't have that information right now either, but that's something we can certainly look up for you and get you.

MS. BAYLOR: Yeah.

COMMISSIONER NARASAKI: Thank you.

ADJOURNMENT

CHAIR CASTRO: Thank you.

Well, that brings us to the end of the panel. I see no other questions from our Commissioners, so I want to thank you all for participating today, and I remind folks that the record

remains open for the next 30 days, so any of you can supplement, and members of the public can also do that, and I'll remind you how you can do it.

You can either mail it by regular mail to the U.S. Commission on Civil Rights, Office of Civil Rights Evaluation, 1331 Pennsylvania Avenue NW, Washington, D.C. 20425, that's Suite 1150, or you can send it via email to publiccomments@usccr.gov.

I want to thank my Commissioners for participating so well today and engaging in this topic, and again, thanks to our staff for organizing today, and thanks to C-SPAN for being here all day.

Thank you very much. The meeting is now adjourned at 3:45 Eastern Time.

(Whereupon, the above-entitled briefing was adjourned at 3:45 p.m.)